

*Presenter: Andrea D. Smith  
Acting Director, Fiscal Service Audits  
Department of the Treasury – Office of Inspector General  
Capitol Hilton, D.C*

# DATA Act Oversight



■ [OIG-CA-16-034](#)

## ***What We'll Talk About Today—***

- **Overview of the DATA Act**
  - IG Oversight Requirements
  - OMB/Treasury Issued Guidance
  
- **Readiness Review Guide Walkthrough**
  
- **Required Review Guide Discussion**

# Overview of the DATA Act

## Digital Accountability and Transparency Act of 2014

- Expands Section 3 of the Federal Funding Accountability and Transparency Act (FFATA) of 2006 to increase accountability and transparency in Federal spending.

## General Requirements:

- By May 2015 – OMB/Treasury to issue Government-wide financial data standards
- By May 2017 – Agencies to report financial data on USASpending.gov in accordance with OMB/Treasury established data standards
- By May 2018 – OMB/Treasury to ensure that the established data standards are applied to the data reported on USASpending.gov (or a successor system)

# IG Oversight Requirements

## ■ Agency Inspectors General

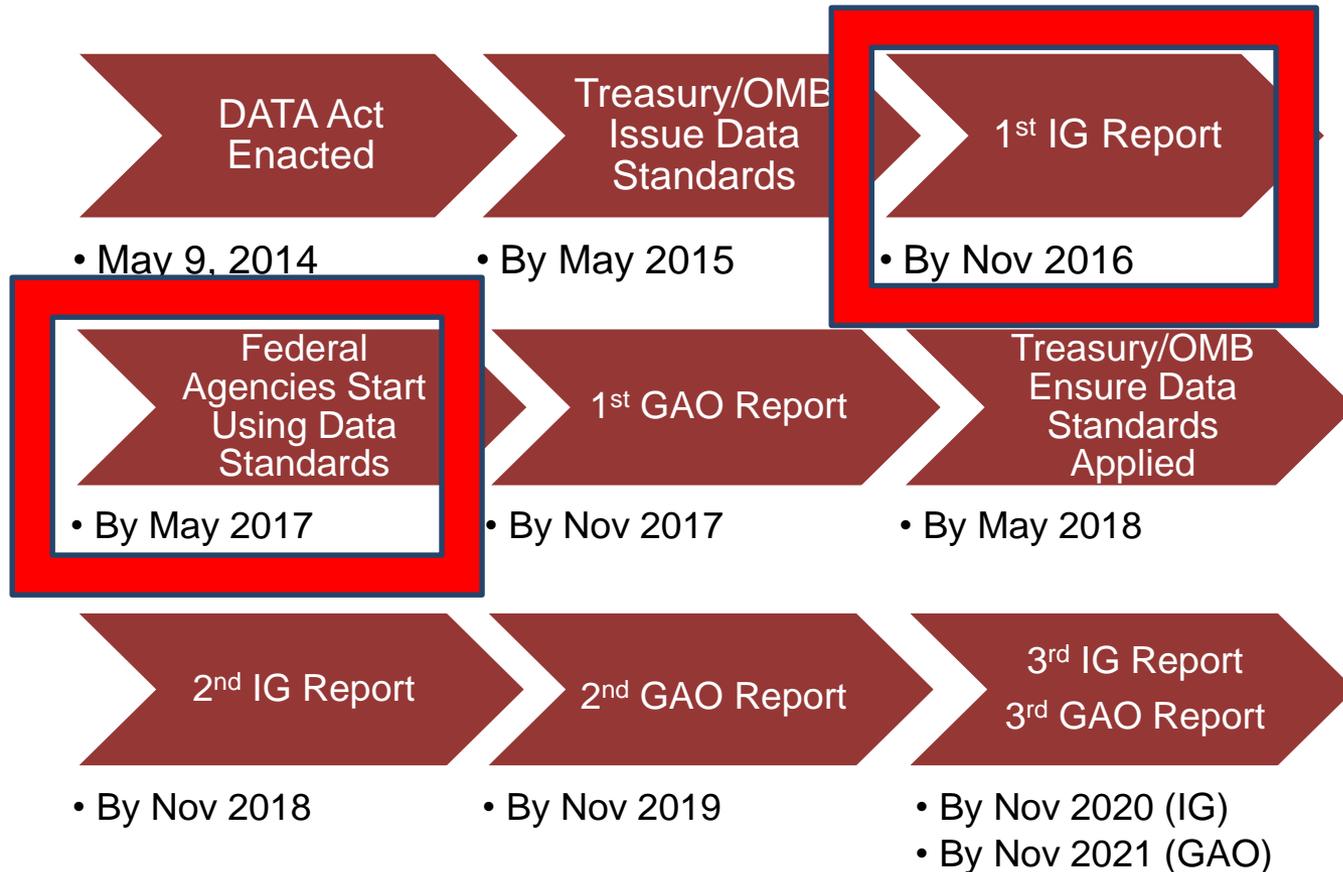
- *In consultation with GAO*, review a statistically valid sampling of the spending data **submitted** by the Federal agency
- Submit to Congress and make publically available, a report assessing
  - completeness, timeliness, quality, and accuracy of the data sampled
  - implementation and use of Data Standards by the Federal agency
- 3 reviews due November 2016, November 2018, November 2020

# IG Oversight Requirements

## ■ Comptroller General Requirements

- Submit to Congress and make publically available, a report assessing
  - completeness, timeliness, quality, and accuracy of the data submitted to USASpending.gov (or a successor system) by Federal agencies
  - implementation and use of Data Standards by the Federal agencies
- 3 reviews due November 2017, November 2019, November 2021

# Date Anomaly



# IG Community DATA Act Working Group

## ■ Mission

*Assist the IG Community in understanding and meeting its DATA Act oversight requirements by (1) serving as a working level liaison with Treasury, (2) consulting with the Government Accountability Office, (3) developing a common review approach and methodology, and (4) coordinating key communications with other stakeholders.*

## ■ Stood up January 2015

## ■ Over 110 members from 35 OIGs

## ■ Accomplishments to date

- Established consultative protocol with GAO (e.g., meet monthly)
- Defined and communicated strategy for IG reporting anomaly
- Developed common methodology for “readiness reviews”
- Updated common methodology for readiness reviews

## ■ Next steps

- Develop common methodology for required reviews

# Addressing the IG Date Anomaly and Readiness Reviews

## ■ CIGIE Letter to Congress (December 22, 2015)

- First agency IG report pushed back 1 year, to **November 2017**. Subsequent reports to follow in November 2019 and November 2021
- Encourage IGs to perform DATA Act “readiness reviews”

# Readiness Review Common Methodology

## ■ Readiness review common methodology

- Version 1.0 issued early December 2015
- Focus on agency implementation plan that was to be submitted to OMB in September 2015
  - 8-step DATA Act Playbook
- Consideration of shared services users and providers
- Progress towards planned milestones
- Version 2.0 distributed June 2016

■ **As of July 2016, Of the 35 IGs in the Working Group, 23 have begun readiness reviews and another 6 plan to conduct readiness reviews in the near future**

# OMB/Treasury Issued Guidance

## OMB M-15-12 *issued May 8, 2015*

- Provides guidance to Federal agencies on current reporting requirements pursuant to FFATA as amended by the DATA Act.
- Also requires agencies to develop DATA Act implementation plans

## ■ Requirements for Agency Implementation Plans

- Identify a Senior Accountable Official (SAO)
- Estimate resource requirements
- Propose an implementation timeline
- Identify any foreseeable challenges and resolutions
- Agencies that have Federal Shared Service Providers (FSSPs) should include anticipated costs and timelines necessary to implement this guidance
- *For agencies moving to FSSPs, implementation plans should align with the move to a FSSP*

# OMB/Treasury Issued Guidance

**DATA Act Implementation Playbook (Version 1.0) issued May 8, 2015 concurrently with OMB M-15-12**

- Informational guidance to assist agencies with fulfilling the requirements of the DATA Act.
  - Describes eight key steps that, if followed together, should help agencies leverage existing capabilities to drive implementation of the DATA Act.
  - Each step includes a series of checklists that can be utilized by agencies as appropriate.

# OMB/Treasury Issued Guidance

## OMB Management Procedures Memo No. 2016-03 *issued May 3, 2016*

- Provides additional guidance to Federal agencies on reporting requirements pursuant to FFATA as amended by the DATA Act.
- **New Federal Prime Award Reporting Requirements**
  - Agencies must comply with reporting requirements in connection with the reporting of prime award information to ensure successful implementation of data definition standards, more complete information reported to USASpending.gov, and greater transparency of Federal spending.

# OMB/Treasury Issued Guidance

OMB Management Procedures Memo No. 2016-03, cont.

## Agency Certification and Authoritative Sources for Reporting Pursuant to FFATA, as amended

- Quarterly (beginning with FY 2017 2<sup>nd</sup> Quarter data) – SAOs must provide reasonable assurance that their internal controls support the reliability and validity of the data they submit to USASpending.gov (or a successor system)

# OMB/Treasury Issued Guidance

## OMB Management Procedures Memo No. 2016-03 – Authoritative Sources for Reporting Pursuant to FFATA

Data	Authoritative Source	Action Required by Agency
Federal non-financial procurement awards	Federal Procurement Data System-Next Generation (FPDS-NG)	None
Appropriations account summary-level financial data	OMB SF 133	Data Matching with Authoritative Source
Object class	Section 83 of OMB Circular A-11	Data Matching with Authoritative Source
Program activity codes and names	President's Budget	Data Matching with Authoritative Source
Financial assistance awardees required to register in SAM	System for Award Management (SAM)	Data Matching with Authoritative Source
Subaward information	FFATA Subaward Reporting System (FSRS)	None
Executive compensation	SAM	None

# Readiness Review Guide Walkthrough

## The Review will:

- Enable IGs to provide recommendations on how to improve their agency's likelihood of DATA Act compliance prior to full implementation
- Assist IGs in developing an efficient and effective methodology for future IG audits required by the DATA Act

**\*Readiness reviews should be conducted in accordance with the standards deemed appropriate by each IG for its respective agency.**

# Readiness Review Guide Walkthrough

## Agency 8-Step Plan

Steps for Agencies	Timeline
<b>1) Organize team</b> Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Officer (SAO)	By spring 2015
<b>2) Review elements</b> Review list of DATA Act elements and participate in data definitions standardization	By spring 2015
<b>3) Inventory data</b> Perform inventory of Agency data and associated business processes	February 2015 – September 2015
<b>4) Design &amp; strategize</b> a) 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 b) <i>Prepare cost estimates for FY 2017 budget projections</i>	March 2015 – September 2015
<b>5) Execute broker</b> Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema; and the validation) iteratively	October 2015 – February 2016
<b>6) Test broker implementation</b> Test broker outputs to ensure data are valid iteratively	October 2015 – February 2016
<b>7) Update systems</b> Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)	October 2015 – February 2017
<b>8) Submit data</b> Update and refine process (repeat 5-7 as needed)	March 2016 – May 9, 2017

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 1)

### 1) Organize team

Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Officer (SAO)

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- OMB's M-15-12, M-10-06, and Management Procedures Memorandum No. 2016-03
- The *Project Management Body of Knowledge*, and [agilemanifesto.org](http://agilemanifesto.org)

### Risks

- The Agency's DATA Act workgroups and subgroups have not been formally established or adopted and/or do not consist of personnel that can successfully implement the requirements of the DATA Act
- If applicable, the FSSP is not effectively communicating with its customers and the Agency's DATA Act workgroups

# Readiness Review Guide Walkthrough

## Review Program Step 1

**Objective:** Ensure the DATA Act workgroup consists of a SAO; knowledgeable SMEs that increase the likelihood that the requirements of the DATA Act will be successfully implemented; and senior management that can drive change for each major reporting component.

- Assess the agency's DATA Act implementation governance structure and activities (including progress tracking mechanisms and two-way communication to its FSSP DATA Act subgroup)
- Ensure that the SAO has authority to oversee the governance and progress of the workgroup and DATA Act implementation
- Ensure that the DATA Act work group consists of knowledgeable SMEs that can successfully implement the DATA Act requirements

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 2)

### 2) Review elements

Review list of DATA Act elements and participate in data definitions standardization

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- Federal Spending Transparency Data Standards

### Risks

- The Agency (or applicable FSSP) did not [review] understand the DATA Act elements
- The Agency may not correctly assess the impact of reporting the data element on its implementation plans or systems.
- The Agency may not consider current USAspending.gov data elements as required by FFATA.

# Readiness Review Guide Walkthrough

## Review Program Step 2

**Objectives:** Ensure each reporting component reviewed the finalized DATA Act elements and understand how the elements are defined and how they are related to the agency's business operations, IT systems, and organization. Ensure the components are also considering the existing USAspending.gov elements, which also need to be captured.

- Gain an understanding of the SAO and working group's methodology for reviewing the data elements, ensuring the completeness of data inventories, and addressing the impact of FSSP components
- Determine the extent to which the agency participated in data standardization and where the agency identified and communicated data element issues to Treasury and/or OMB

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 3)

### 3) Inventory data

Perform inventory of Agency data and associated business processes

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- Federal Spending Transparency Data Standards
- DATA Act Blueprint Guide
- OMB's Management Procedures Memorandum No. 2016-03

### Risks

- The Agency did not conduct a formal, adequate, and complete data inventory of the DATA Act elements for each major reporting component and may not properly report complete, reliable or accurate data
- If applicable, the FSSP did not conduct a formal, adequate, and complete data inventory of the DATA Act elements on behalf of its customers and may not properly report complete, reliable or accurate information

# Readiness Review Guide Walkthrough

## Review Program Step 3

**Objectives:** Ensure each reporting bureau, including the FSSP on behalf of its customers, understands how the DATA Act elements are used across agency business processes, systems and applications and have identified and can trace or map back to the appropriate source system to extract the needed data and understand gaps (e.g., data not captured or hard to extract)

- Review the completed initial data inventories for each major reporting component, identify data gaps and determine if viable solutions have been proposed
- Determine considerations in the agency's data inventory, where issues were identified, and whether the agency developed remediation plans
- Determine whether the major components noted any concerns regarding their respective data inventory

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 4)

### 4) Design & strategize

- a) 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
- b) *Prepare cost estimates for FY 2017 budget projections*

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- GAO Cost Estimating and Assessment Guide (GAO 09-3SP) and Schedule Assessment Guide (GAO-16-89G)
- OMB's Management Procedures Memorandum No. 2016-03
- The *Project Management Body of Knowledge* and [agilemanifesto.org](http://agilemanifesto.org)

### Risks

- The Agency's [and applicable FSSP]'s implementation plans are inadequate and do not include detailed information as to how the Agency [and applicable FSSP customers] are going to link the data and thus may not be able to fulfill its reporting requirements under the Act

# Readiness Review Guide Walkthrough

## Review Program Step 4

**Objective:** Ensure each major reporting component develops a comprehensive implementation plan, including solutions for addressing gaps in agency data and ensuring Award ID exists in financial and management systems.

- Ensure that an implementation plan that meets OMB M-15-12 was submitted to OMB on September 14, 2015
- Ensure that the Project Management documents are complete and include a Narrative, graphical timelines that comply with DATA Act implementation and reporting targeted dates, a separate cost section, and a project plan.
- If the agency is planning a pilot program for any of its components, determine what stage each pilot program is in
- Determine if there were any procurements executed
- Determine if the agency identified and communicated any concerns regarding DATA Act implementation to Treasury and OMB

# FSSPs

**The use of FSSPs creates additional areas of concern to be considered with the Readiness Review; IGs should ensure that:**

- Agencies and FSSPs are coordinating throughout the agency's DATA Act implementation
- Agencies are tracking FSSPs statuses
- Agencies and FSSPs have established the reporting responsibilities for FSSPs and their customers
- FSSPs are engaging customers
- FSSPs are working with their customers on implementation plan submission
- FSSPs are determining applicable data elements and identifying gaps and issues
- Customers are represented in communication with agencies
- Customers understand business process changes that are required for DATA Act implementation

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 5)

### 5) Execute broker

Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema; and the validation) iteratively

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- DATA Act Information Model Schema, version 1.0
- DATA Act Reporting Submission Specification
- OMB's Management Procedures Memorandum No. 2016-03

### Risks

- The Agency, including the FSSP on behalf of its customers , are unable to(1) identify the required data elements from the application system, (2) extract the data, or (3) reformat the data using the defined standards in order to transfer the data submissions to the agency's developed broker or Treasury's developed broker

# Readiness Review Guide Walkthrough

## Review Program Step 5

**Objectives:** Ensure each major reporting component (1) identifies (maps) required data elements from the various Agency application systems, (2) extracts and reformats the data to defined standards, and (3) transfers the data to the designated Treasury site.

- Ensure that the following attributes are adequately addressed in the process of executing the broker

Mapping

Extraction

Data Preparation

Reconciliation

Validation

Data Transfer

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 6)

### 6) Test broker implementation

Test broker outputs to ensure data are valid iteratively

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- DATA Act Information Model Schema, version 1.0
- DATA Act Reporting Submission Specification
- U.S. Digital Service Playbook

### Risks

- The Agency, including the FSSP on behalf of its customers , are unable to (1) identify the required data elements from the application system, (2) extract the data, or (3) reformat the data using the defined standards in order to transfer the data submissions to the agency's developed broker or Treasury's developed broker

# Readiness Review Guide Walkthrough

## Review Program Step 6

**Objectives:** Ensure data is accurate, complete and reliable

- Determine if the agency (or applicable FSSP) conducted and documented user acceptance testing for each iteration or pilot program
- Asses the documented results of user acceptance testing/pilot testing
- Determine if the agency (or applicable FSSP) conducted final user acceptance testing
- Ensure that agency testing plans identify errors or issues with corrective action plans

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 7)

### 7) Update systems

Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)

### Suggested Criteria

- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- DATA Act Information Model Schema, version 1.0
- DATA Act Reporting Submission Specification

### Risks

- The Agency does not establish a linkage between program and financial data and did not capture any new data
- If applicable, the Agency has not worked with his FSSP to determine if there are any requisite system modifications

# Readiness Review Guide Walkthrough

## Review Program Step 7

**Objective:** Ensure the Agency, including the applicable FSSP on behalf of its customers, have established necessary linkages between program and financial data feeder systems to ensure that all future changes are properly captured and updated within the Data Act broker process

- Ensure updates are handled in accordance with the Agency's change-management requirements
- Determine whether the Agency has established change control processes

# Readiness Review Guide Walkthrough

## 8-Step Agency Implementation Plan (Step 8)

### 8) Submit data

Update and refine process (repeat 5-7 as needed)

### Suggested Criteria

- FFATA
- DATA Act
- OMB M-15-12
- DATA Act Implementation Playbook 8-Step Agency Implementation Plan
- DATA Act Information Model Schema, version 1.0
- DATA Act Reporting Submission Specification

### Risk

- The Agency has not adequately established a formal schedule to process data submissions to Treasury

# Readiness Review Guide Walkthrough

## Review Program Step 8

**Objective:** Ensure the Agency has established a formal schedule to process data submissions within the Agency IT production cycle.

- Review the results of Program Steps 5-7 and make a final determine whether any concerns or issues will impact the Agency's (or applicable FSSP's) ability to meet the May 2017 reporting deadline

# Required Review Guide

- **Required Review Objectives**
- **Audit Standards**
- **Criteria**
- **Impact of Readiness Reviews**
- **Ability to rely on agency financial systems**
- **Sampling Methodology**
- **Required Review Guide Timeline**

# Questions

