



*Data Transparency 2014
J.W. Marriott, Washington DC
September 30, 2014*

Oversight of the DATA Act

A Treasury OIG Perspective

S. 994

One Hundred Thirteenth Congress
of the
United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Friday,
the third day of January, two thousand and fourteen*

An Act

To expand the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in Federal spending, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Accountability and Transparency Act of 2014" or the "DATA Act".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) expand the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to enable taxpayers and policy makers to track Federal spending 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 policy makers 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

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

SEC. 3. AMENDMENTS TO THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006.

The Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) is amended—

(1) in section 2—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1), by striking "this section" and inserting "this Act";

(ii) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (4), and (7), respectively;



IG and GAO Oversight

IGs – 3 reviews

In consultation with the Comptroller General

- ✓ 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



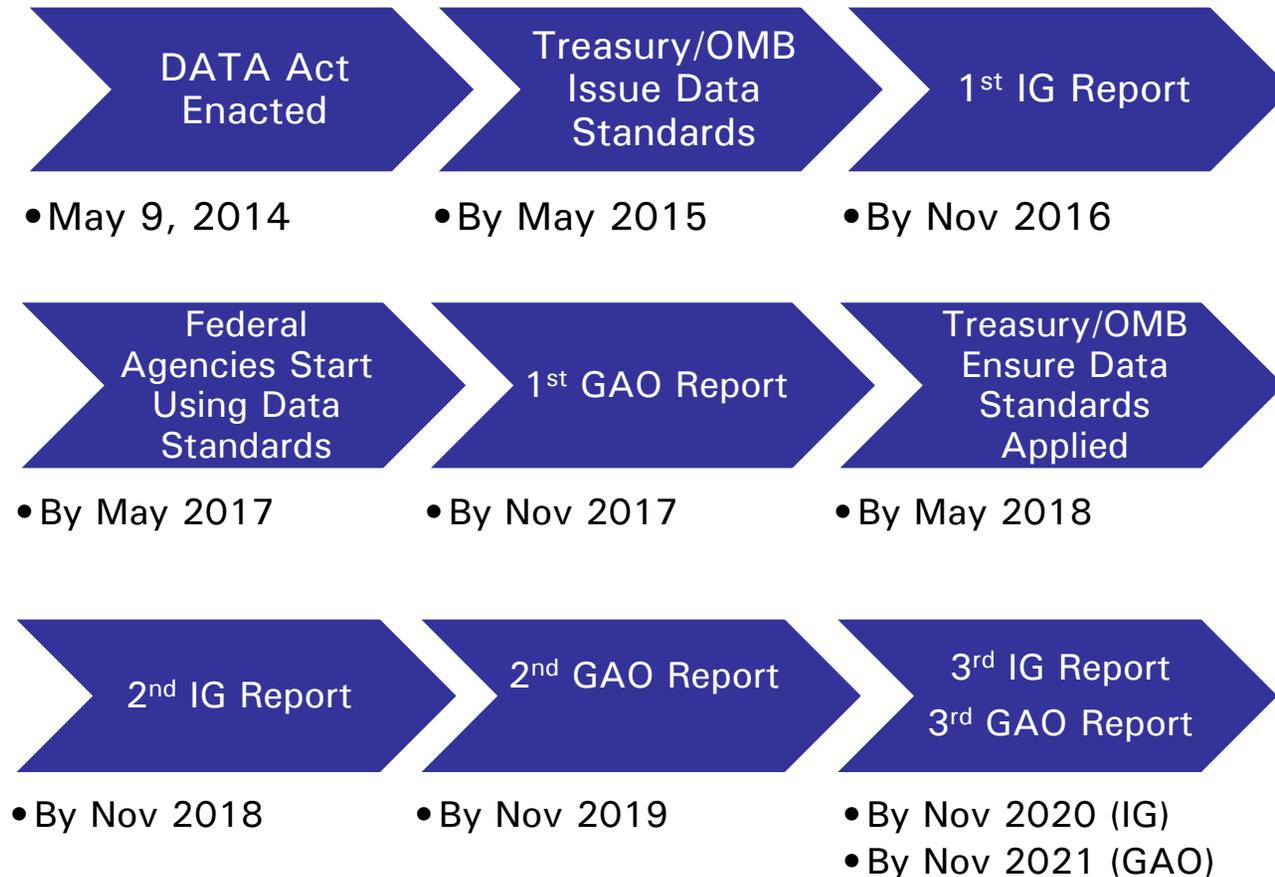
GAO – 3 reviews

After a review of IG reports

- ✓ submit to Congress and make publically available, a report assessing and comparing
 - data completeness, timeliness, quality, and accuracy of the data submitted by Federal agencies
 - implementation and use of data standards by Federal agencies



Timeline





Treasury OIG Audits

- ✓ Fiscal Service's Standup of a Financial Management Transparency Office and Administration of USASpending.gov (start – March 2014)

- ✓ Treasury's Implementation of the DATA Act (start – August 2014)
 - A series of audits
 - Determine the sufficiency of plans and actions taken to timely comply with the DATA Act



Looking Ahead

- ✓ Convene an IG Community Working Group to (initial thoughts):
 - Coordinate with GAO
 - Develop common audit approach
 - Develop tools for required analyses
 - Determine scope
 - Keep stakeholders informed

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Panel: Oversight of the DATA Act

Panel Members:

Bob Taylor, Deputy Assistant Inspector General, Department of the Treasury

Ali Ahmad, Senior Professional Staff, House Committee on Oversight and
Government Reform

Amy Edwards, Director, Government Performance Task Force, Senate Budget
Committee

Peg Gustafson, Inspector General, Small Business Administration

Jason Miller, Federal News Radio (moderator)

Bob's Comments

Thank-you Jason and the Coalition. I appreciate the opportunity today to represent Treasury Inspector General Eric Thorson and our office on this important subject.

Last Friday, I attended a Treasury town hall on the DATA Act which featured a number of speakers from the transparency community. The big take-away I had was that the community, and that really is all of us, want and need not only more data, but good data, on our government's spending. Expectations are very high for the DATA Act to finally deliver good data. I see IG oversight as critical to ensure that happens.

In the next few minutes, I will cover IG and GAO oversight requirements under the Act, then go over the timeline for performing that oversight, and time permitting, discuss other related work undertaken within Treasury by my office, and wrap up with the next step in preparing for IG oversight.

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Section 6 of the DATA Act, aptly named Accountability for Federal funding, calls for IGs to conduct reviews and report to Congress three times over the next 6 years on their respective agencies' spending data and use of the Data Standards to be issued by Treasury and OMB. Under the Act, the three reviews are to be done in consultation with GAO and are to include a statistically valid sampling of spending data submitted to USASpending.gov. The IGs are to assess the completeness, timeliness, quality, and accuracy of the sampled data.

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GAO likewise will report three times. After reviewing the IGs' reports, GAO will assess the completeness, timeliness, quality, and accuracy of data submitted by Federal agencies, and GAO will be

looking at the agencies' use of the Treasury/OMB Data Standards as well.

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So when are these IG and GAO reviews to occur? Well, the first IG report is due 18 months after Treasury and OMB issue the Data Standards. That would be November 2016 if things go as required, or earlier if the Data Standards are issued early. The other two IG reports are to follow 2 years apart; that would be in November 2018 and 2020. GAO's reporting comes 1 year after each IG reporting cycle, so GAO will be reporting in November 2017, 2019, and 2021.

I do want to point out one anomaly in the above timeline that presents a challenge. That is, you can see the latest date by which agencies are to start submitting spending data is May 2017. However, the first IG reports on spending data are due in November 2016, 6 months before agencies must start reporting. Obviously, this timing anomaly will be something where we will need to engage our agencies and our congressional stakeholders as we are not used to auditing something that doesn't yet exist. We do have our work cut out for us.

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While I've just discussed the mandated IG work under the Act, our office, as the oversight agency for Treasury programs and operations, has already initiated work to assess Treasury's DATA Act implementation activities in their early stages.

As shown in the slide, we have two bodies of work currently in progress. One audit actually preceded the DATA Act, and is looking at Treasury's standup of a Transparency Office and Treasury's efforts to improve USASpending.gov. Treasury assumed responsibility for this much maligned website in February 2014.

The second body of work is looking at Treasury's plans and actions to implement its responsibilities under the DATA Act, such as developing the Data Standards. We intend to report periodically on the status of those plans and actions.

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Now to wrap up, I will discuss what we see as the next step for the IG community at large. That is, we plan to convene a working group to start tackling a number of areas. The slide shows a few of the things the working group could undertake: things like consulting with

GAO, developing a common audit approach, and keeping stakeholders informed. We will be putting out a call for volunteers in November and start work in early January. We've gotten a few volunteers already and expect the interest to be very high.

With that, I'd like to thank the audience for your attention.