



Audit Report



OIG-16-047

Treasury's Government-wide DATA Act Implementation Continues, But Project Management Concerns Remain

June 22, 2016

Office of
Inspector General

Department of the Treasury

Contents

Audit Report

Results in Brief	2
Background.....	4
Audit Results.....	12
Progress in Implementing the DATA Act Continues But Key Products Are Delayed	12
All Federal Agencies Covered Under the DATA Act Need to Be Identified	18
A Human Resource Plan Should Be Developed	19
Stakeholder Questions Need to Be Addressed	21
Project Management Documentation Needs to Be Improved	22
Recommendations.....	24

Appendices

Appendix 1: Objectives, Scope, and Methodology	29
Appendix 2: Prior OIG DATA Act Recommendations and Status of Related Corrective Actions	33
Appendix 3: Management Response	34
Appendix 4: Major Contributors to this Report.....	37
Appendix 5: Report Distribution.....	38

Abbreviations

CIGIE	Council of Inspectors General for Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
ESC	Executive Steering Committee
FFATA	Federal Funding Accountability and Transparency Act of 2006
Fiscal Service	Bureau of the Fiscal Service
GAO	Government Accountability Office
IAC	Interagency Advisory Committee
IG	Inspector General
JAMES	Joint Audit Management Enterprise System
OMB	Office of Management and Budget
PMBOK	Project Management Body of Knowledge
PMO	Program Management Office
Recovery Act	American Recovery and Reinvestment Act of 2009
Recovery Board	Recovery Accountability and Transparency Board
SAO	Senior Accountable Official
Treasury	Department of the Treasury

This Page Intentionally Left Blank.

*The Department of the Treasury
Office of Inspector General*

June 22, 2016

David A. Lebryk
Fiscal Assistant Secretary

This report presents the results of our second audit in a series¹ reviewing the Department of the Treasury (Treasury) efforts to meet its responsibilities under the Digital Accountability and Transparency Act of 2014 (DATA Act).² Our audit objectives were to determine the sufficiency of plans and actions taken by Treasury and its Bureau of the Fiscal Service (Fiscal Service) to timely comply with DATA Act provisions to (1) establish Government-wide financial data standards for Federal funds made available to or expended by Federal agencies and entities receiving Federal funds; (2) ensure that this financial data is accurately posted and displayed on USAspending.gov (or a successor system) by May 2017; and (3) ensure the established data standards are applied to the data made available on the website by May 2018.

To accomplish our objectives, we obtained an understanding of the current laws related to Treasury's Government-wide responsibilities under the DATA Act and conducted interviews with Treasury personnel involved with the agency's Government-wide implementation of the DATA Act. We reviewed recognized project management guidance;³ Treasury and the Office of Management and Budget (OMB) DATA Act project management plans;⁴ and other relevant documents, such as the President's Fiscal Year 2016

¹ On May 19, 2015, we issued our first audit report on Treasury's efforts to meet its responsibilities under the DATA Act: OIG-15-034, *Treasury Is Making Progress in Implementing the DATA Act But Needs Stronger Project Management*.

² Public Law 113-101 (May 9, 2014).

³ Our review included the Project Management Institute's *A Guide to the Project Management Body of Knowledge (PMBOK)*, Fourth Edition, 2008, a recognized industry standard. PMBOK defines a good practice as one where there is general agreement that the application of these skills, tools, and techniques can enhance the chances of success over a wide range of projects. We also reviewed the Government Accountability Office's July 2012 report, *Software Development Effective Practices and Federal Challenges in Applying Agile Methods* (GAO-12-681), which describes good practices in applying agile methods for project management.

⁴ The DATA Act designates Treasury and OMB to lead the implementation effort.

budget request. We also determined Treasury and OMB's DATA Act implementation status by reviewing progress-tracking metrics. We conducted our fieldwork principally from March through November 2015. Appendix 1 contains a detailed description of our objectives, scope, and methodology. Appendix 2 provides the status of OIG recommendations and related corrective actions on our prior audit of Treasury's Government-wide DATA Act implementation efforts.

Results in Brief

As of October 31, 2015, Treasury continued to make progress in implementing the DATA Act. However, we remain concerned that Treasury's project management practices could, if not addressed, hinder the timely, comprehensive, Government-wide implementation of the program. Subsequent to completion of our fieldwork, we noted that Treasury missed a project plan deadline for finalizing critical agency guidance. As a result, timely completion of the system needed to submit agency spending data is at risk.

Treasury and OMB engaged stakeholders on the implementation, issued guidance on DATA Act reporting requirements, identified the data elements requiring standardization, and published those standards. Treasury also published informational resources to help agencies develop their own implementation approach and Treasury began developing tools that agencies can use to submit and display data.

While these activities will assist in facilitating adoption of uniform standards by Federal agencies, we identified several risks to implementing the DATA Act on time:

- Finalizing the standard data exchange, called the DATA Act Schema version 1.0, was delayed. Treasury originally planned to issue the Schema in December 2015; however, progress-tracking metrics showed the release of the Schema was "at risk." As of February 29, 2016 the Schema version 1.0 has not been issued. A Treasury official told us that the issuance of the guidance was dependent on reaching a final policy decision on the reporting architecture, which was

delayed but has now been resolved. The Schema version 1.0 was issued on April 29, 2016.

- Treasury’s production-ready broker⁵ and related documentation for agencies are delayed. Treasury’s DATA Act Implementation Playbook established February 2016 as the Government-wide rollout date for the broker. However, January 2016 progress-tracking metrics showed that this date is “behind.” As of February 29, 2016, the production-ready broker had not been issued. In April 2016, Treasury released the alpha version of the production broker and anticipates releasing the production-ready broker in Fall 2016.⁶
- Treasury and OMB cannot be sure that all Federal agencies submitted DATA Act implementation plans as required by OMB because Treasury and OMB have not determined the entire population of agencies to which the DATA Act applies.
- Treasury has not developed a human resource plan to define the staffing needed to accomplish its strategic goal of making financial management data accessible and reusable.
- Treasury and OMB lack controls to ensure prompt responses to Federal agency DATA Act questions.
- Treasury has not ensured the accuracy of basic progress metric reporting nor has it formally documented key management decisions.

We are recommending that Treasury, working as needed with OMB: (1) finalize and release the production-ready broker to Federal agencies in an expeditious manner; (2) determine the population of Federal agencies required to comply with the DATA Act, and ensure that a Senior Accountable Official (SAO)⁷ has been

⁵ A broker is an information system that collects, maps, takes in, transforms, validates, and submits agency data into a format consistent with the proposed taxonomy.

⁶ The alpha release is a version of the production-ready broker that allows Treasury to test their product with a small group of actual users to, in part, (1) test the design approach, (2) test some technologies, and (3) allow users to gain some understanding of the service.

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

identified and a DATA Act implementation plan has been submitted to OMB for each agency in the population; (3) develop a comprehensive, documented human resource plan for Treasury's DATA Act implementation efforts; (4) clear the backlog of unaddressed DATA Act stakeholder questions and develop standard operating procedures to ensure that stakeholder questions and feedback are accounted for and addressed in a timely manner; and (5) continue efforts to strengthen project management over the DATA Act implementation, ensuring that (a) progress metrics provide a consistent, accurate measure of task status and (b) key management decisions are documented.

In a written response, Treasury management agreed with our recommendations and outlined its corrective actions. The response described management's (1) plan for the roll out of the production-ready broker; (2) recently issued guidance to help Federal agencies determine whether they are required to comply with the DATA Act; (3) development of a human resource plan for Treasury's Program Management Office (PMO); (4) policies and procedures to triage stakeholder questions and set a goal to answer these questions in as timely a manner as possible; and (5) commitment to continue to improve project management documentation.

Overall, we found that management's response meets the intent of our recommendations. However, management will need to record target dates for planned corrective actions in the Joint Audit Management Enterprise System (JAMES), Treasury's audit recommendation tracking system. We have incorporated and evaluated management's response in the recommendation sections of this report. Management's response is provided as Appendix 3.

Background

Signed into law May 9, 2014, the DATA Act has several purposes:

- (1) Expand the Federal Funding Accountability and Transparency Act of 2006 (FFATA)⁸ by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies to

⁸ Public Law 109-282 (September 26, 2006).

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.
- (5) Apply approaches developed by the Recovery Accountability and Transparency Board (Recovery Board)⁹ to spending across the Federal government.

To fulfill these purposes, the DATA Act imposes requirements on the Director of OMB, the Secretary of the Treasury, the Inspector General (IG) of each Federal agency, and the Comptroller General of the United States.

Specifically, the DATA Act requires that (1) OMB and Treasury establish, by May 2015, Government-wide financial data standards for Federal funds made available to or expended by Federal agencies and entities receiving Federal funds; (2) Treasury, in consultation with OMB, ensure such financial data is accurately posted and displayed on USAspending.gov (or a successor system) by May 2017; and (3) OMB and Treasury ensure the data standards established are applied to the data made available on the website by May 2018.

The DATA Act requires the IG of each Federal agency to perform three reviews of a statistically valid sampling of the spending data submitted under the DATA Act by the Federal agency, and submit to Congress and make publically available a report assessing the

⁹ The Recovery Board was a Federal agency that oversaw spending under the American Recovery and Reinvestment Act of 2009 (Recovery Act) and managed Recovery.gov. Recovery.gov displayed Recovery Act spending information reported by recipient agencies. Pursuant to law, the Recovery Board ceased operations in September 2015.

completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of data standards by the Federal agency. Under the Act, the first IG reports are due November 2016 with the other two following at 2-year intervals (November 2018 and November 2020).¹⁰ The DATA Act also requires the Comptroller General of the United States to submit to Congress reports assessing data completeness, timeliness, quality, and accuracy in November 2017, November 2019, and November 2021.

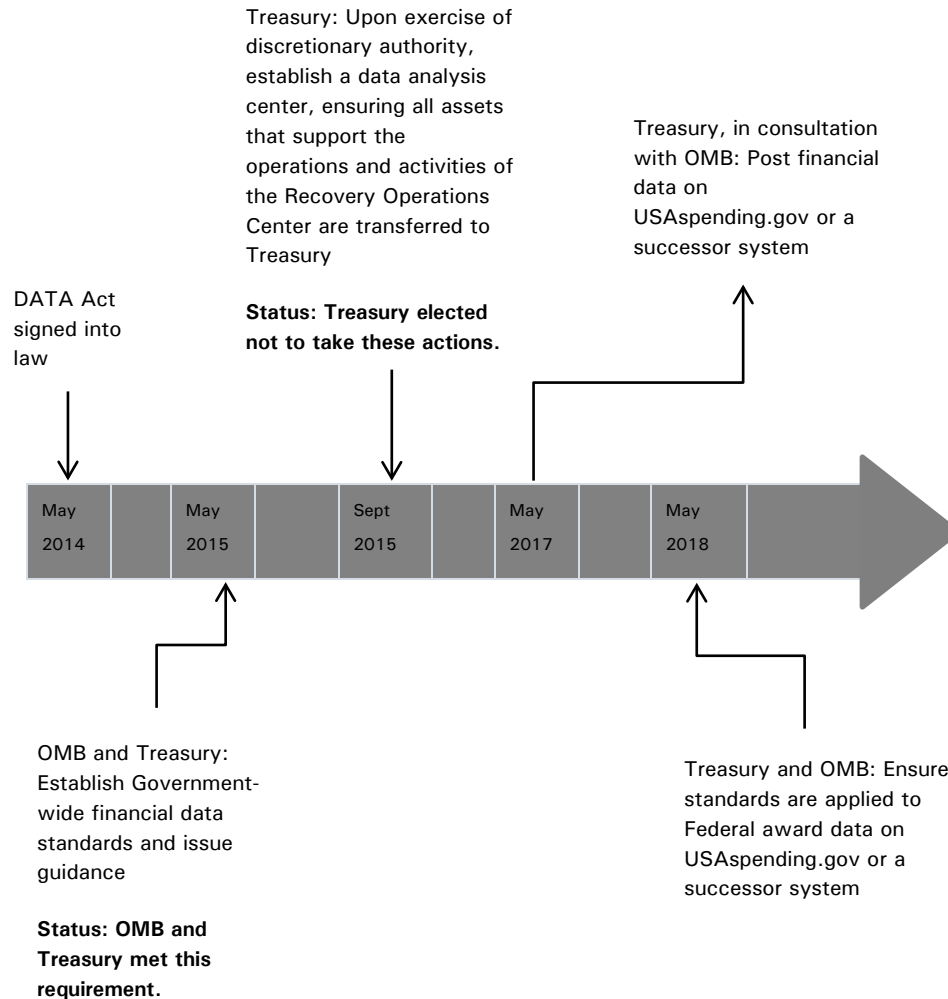
Under the DATA Act, Sec. 6(c), Treasury may also establish a data analysis center, or expand an existing service, to provide data analytic tools and data management techniques to support the prevention and reduction of improper payments by Federal agencies and improve efficiency and transparency in Federal spending. If elected, all assets identified by Treasury that support the operations and activities of the Recovery Board's Recovery Operations Center¹¹ relating to the detection of waste, fraud, and abuse in the use of Federal funds were to transfer to Treasury on or before September 30, 2015, the date the Recovery Board ceased operations. According to a July 21, 2015 memorandum from the Commissioner of Treasury's Fiscal Service to the Fiscal Assistant Secretary, Treasury decided not to exercise its discretionary authority under Sec. 6(c).

For a timeline of Treasury's DATA Act requirements, authorities, and deadlines, see Figure 1.

¹⁰ The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first IG reports are due to Congress in November 2016; however, Federal agencies are not required to report financial and payment information in accordance with the 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. Although CIGIE determined the best course of action was to delay the IG reports, CIGIE is encouraging 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 memorializing 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.

¹¹ The Recovery Board launched the Recovery Operations Center in November 2009 to provide a central data analytics service to support fraud detection and prevention related to Recovery Act awards.

Figure 1: Progress on Treasury DATA Act Requirements, Authorities, and Deadlines



Source: Treasury Office of Inspector General analysis of DATA Act requirements.

DATA Act Governance Structure

An Executive Steering Committee (ESC), made up of Treasury’s Fiscal Assistant Secretary and OMB’s Controller, governs Treasury and OMB DATA Act implementation efforts. Supported by an Interagency Advisory Committee (IAC), the ESC sets overall policy and guidance, oversees recommendations, and makes and enforces decisions, as necessary. The ESC meets biweekly to monitor the implementation progress at a high level, discuss implementation and policy questions, and resolve issues as they arise.

The IAC provides recommendations to the ESC related to DATA Act implementation and leadership in obtaining stakeholder buy-in on recommendations. Its representatives include:

- Budget Officers Advisory Council
- Chief Financial Officers Council
- Award Committee for E-Government
- Chief Information Officers Council
- Performance Improvement Council
- Chief Acquisition Officers Council
- Council on Financial Assistance Reform
- Office of Science and Technology Policy
- General Services Administration
- OMB
- Treasury
- Several members of the IG community

DATA Act Implementation Approach

Treasury is using an agile approach¹² to implement the requirements of the DATA Act, explained in its “White Paper: Implementing the Data Act” (Draft White Paper). This approach, typically used in software development, involves collaboration across public and private stakeholders, including the Federal community and is characterized by the execution of quick, small-scale pilots to test innovative concepts and strategies for implementation. Because some aspects of the implementation do not fit this approach, Treasury officials have been using a mix of agile and traditional project management practices.¹³

Treasury proposed a “data-centric” technical approach rather than a “system-centric” solution that would collect, aggregate, and validate the format of data from agencies in a bulk file or central system. The data-centric approach focuses on managing existing data and seeks to avoid massive system changes across Federal agencies. Instead of requiring agencies to change existing

¹² Agile is a project management methodology that values individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation, and responding to change over following a plan.

¹³ Traditional project management methodology generally follows a step-by-step approach, moving the project through five stages: initiation, planning, execution, monitoring, and completion. Each stage is performed in chronological order, with one stage beginning after the preceding stage is complete.

processes or system terms, the data-centric approach calls for agencies to map data from their existing systems to a standard taxonomy.¹⁴ Treasury anticipates that, once the data is mapped in agency-specified data warehouses, financial systems, and/or mixed feeder systems¹⁵, the data will be submitted into a virtual repository maintained by Treasury. The data-centric approach is intended to minimize system changes and provide the necessary standards and format to enable users to query data across the government.

DATA Act Implementation Structure

To execute the implementation plan envisioned in the Draft White Paper, Treasury and OMB created a four-part implementation structure shown in Figure 2 and described in detail below.

¹⁴ Taxonomy is a systematic classification of data elements that allows it to be shared and reused in different systems.

¹⁵ A mixed-feeder information system can support both financial and non-financial functions. Such systems may include those designed for property management, inventory, budget formulation, acquisition, and personnel and payroll.

Figure 2: OMB and Treasury Governance and Implementation Structure



Source: Fiscal Service

PMO	Treasury, Program Management Office
OFFM	OMB, Office of Federal Financial Management
OFPP	OMB, Office of Federal Procurement Policy
BRD	OMB, Budget Review Division
RMO	OMB, Resource Management Office
EOP-OSTP	Executive Office of the President, Office of Science and Technology Policy
NSC	National Security Council

- Lead

The DATA Act designates Treasury and OMB as leads for the implementation effort, responsible for developing and guiding the implementation approach and strategy, coordinating and developing policies, providing program management functions, and conducting public and private stakeholder outreach.

- Design and Implement

Most of the hands-on implementation work occurs in this part, divided across five high-level workstreams based on the requirements of the DATA Act: (1) Data Definition Standards, (2) Blueprint/Roadmap between Data Elements,

(3) Data Exchange Standards, (4) Pilot to Reduce Administrative Reporting Burden,¹⁶ and (5) Data Analytics.¹⁷

- Support

SAOs from Federal agencies are responsible for providing high-level feedback on the DATA Act implementation and workstream outputs, as directed by Treasury and OMB.

- Consult

The DATA Act requires Treasury and OMB to consult with public and private stakeholders to establish data standards and incorporate widely accepted common data elements, such as those developed and maintained by international standard-setting bodies and accounting standards organizations. Internal stakeholders include Federal departments and agencies and Federal councils, groups, and boards. External stakeholders include state, local, and tribal governments; citizens; private industry; transparency advocacy groups; and academia.

Agency Role

Federal agencies must work with Treasury and OMB to execute implementation within their agencies. This includes inventorying required data elements in existing systems, identifying gaps, and making system changes, as needed, to address these gaps; implementing established data standards; and implementing mechanisms needed to establish links between the data elements and to submit the required data to Treasury.

¹⁶ OMB is solely responsible for this DATA Act requirement. Since Treasury IG does not oversee OMB, we did not evaluate the status of the Pilot to Reduce Administration Reporting Burden.

¹⁷ The focus of this workstream was on making a determination regarding the assets of the Recovery Operations Center. As mentioned previously in this report, Treasury elected not to exercise its discretionary authority under DATA Act, Sec. 6(c). Therefore, the Recovery Operations Center assets reference in Sec. 6(c) did not transfer to Treasury.

Audit Results

Finding 1 **Progress in Implementing the DATA Act Continues But Key Products Are Delayed**

Treasury, working together with OMB, continued to make progress with its Government-wide DATA Act implementation efforts. Treasury and OMB have engaged stakeholders on the implementation, issued guidance on DATA Act reporting requirements, identified the data elements requiring standardization, and rolled out those standards. Treasury published informational resources to help agencies develop their own implementation approaches and has begun developing tools that agencies can use to submit and display data. However, we noted that the release of certain key tools, the DATA Act Schema version 1.0 and the production-ready broker, have been delayed.

Guidance

On May 8, 2015, OMB issued guidance (OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*) for Federal agencies on implementing Government-wide financial data standards required by the DATA Act and on their ongoing reporting responsibilities for USAspending.gov. In addition to requiring that agencies maintain current transparency reporting procedures for USAspending.gov, the guidance required Federal agencies to (1) make agency-level financial data available for publication, (2) implement data definition standards, (3) implement data exchange standards, and (4) ensure data quality and future reporting capabilities remain consistent with DATA Act implementation efforts.

OMB M-15-12 also requires agencies to develop DATA Act implementation plans that (1) identify an SAO, (2) estimate resource requirements, (3) propose an implementation timeline, and (4) identify foreseeable challenges and resolutions. Additionally, Federal shared service providers should include specific information about anticipated costs and timelines necessary to implement the memorandum. Treasury's "DATA Act Implementation Playbook," issued concurrently with OMB M-15-12, referenced a due date of September 2015, for Federal agencies to submit DATA Act implementation plans to OMB. Treasury and OMB officials told us

that although most Federal agencies submitted agency DATA Act implementation plans by the due date, some did not. We noted that Treasury could not provide us with an inventory of agencies with outstanding implementation plans because they, along with OMB, have not determined the population of agencies to which the DATA Act applies. This issue is discussed in greater detail in Finding 2 of this report.

Data Standards: Data Elements

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, including 8 new data elements required by the DATA Act and 49 existing elements that OMB deemed controversial in nature and requiring standardization. However, Treasury was unable to provide us with documentation supporting how it was determined that only 49 of the existing 259 elements required standardization. Once identified, Treasury and OMB undertook a process to engage public and private stakeholders and solicit public input to standardize these 57 data elements

Treasury and OMB released final data standards for the 57 data elements in phases during May–August 2015:

- 15 on May 8
- 8 on June 26
- 4 on July 13
- 30 on August 31

As discussed in a January 2016 report on these data standards, the Government Accountability Office (GAO) found that most definitions adhered to leading practices derived from international standards for formulating data definitions.¹⁸ In this regard, 12 of the 57 definitions met all 13 leading practices and none met fewer than 9. However, GAO found several definitions that could lead to inconsistent reporting. For example, the “Primary Place of

¹⁸ GAO, *DATA Act: Data Standards Established, but More Complete and Timely Guidance Is Needed to Ensure Effective Implementation* (GAO-16-261; issued January 29, 2016)

Performance” definitions’ inclusion of the word “predominant” leaves much open to interpretation. According to the GAO report, without more interpretive clarification, agencies run the risk of reporting data that cannot be aggregated Government-wide.

Moving forward, Treasury and OMB plan to consider additional data elements for standardization based on feedback received from stakeholders.

Data Standards: DATA Act Schema

As part of establishing Government-wide financial data standards, Treasury and OMB continued working to define the data exchange standard to be used for DATA Act reporting. This standard, called the DATA Act Schema, will prescribe relationships between elements, as well as format and data reporting validation requirements for transmitting these elements between agencies and displaying the data to the public. The Schema is expected to leverage industry standards to structure financial and non-financial data with metadata (supplemental information) that describes, explains, locates, or otherwise makes it easier to retrieve and understand the data.

In May 2015, Treasury and OMB released the draft DATA Act Schema version 0.2, and have since released updated versions periodically. As of December 2015, draft version 0.7 was available on the Federal Spending Transparency GitHub site.¹⁹ This version was intended to provide a comprehensive DATA Act Information Model Schema to represent all spending and related information anticipated, required, or available to support the additional Federal spending information required by the DATA Act. However, version 0.7 did not include agency submission specifications regarding the file format, content scope, and file organization. Treasury had planned to issue the Schema version 1.0, which would include such detail, in December 2015. A Treasury official stated that the issuance of Schema version 1.0 was dependent on reaching a policy decision on the reporting architecture which was delayed. In the interim, Treasury continued to develop and iteratively release

¹⁹ GitHub is a web-based, open-source collaboration tool based on the Git version control software, which allows users to make and track changes for software development projects. Treasury and OMB’s Federal Spending Transparency GitHub site is located at <https://fedspendingtransparency.github.io/>.

operational guidance to agencies as they implement the DATA Act. The DATA Act Schema version 1.0 was issued on April 29, 2016, subsequent to our fieldwork. Since the Schema version 1.0 is an essential roadmap for agencies to structure their data for submission to USAspending.gov, its delayed issuance could increase the risk that agencies cannot comply timely with the DATA Act.

DATA Act Implementation Playbook

On May 8, 2015, Treasury released the DATA Act Implementation Playbook. This Playbook describes eight key steps that, if followed together, should help agencies leverage existing capabilities to drive implementation of the DATA Act. Figure 3 depicts the eight steps.

Figure 3: Agency 8-Step Plan

Steps for Agencies	Timeline
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)	By spring 2015
2) Review elements Review list of DATA Act elements and participate in data definitions standardization	By spring 2015
3) Inventory data Perform inventory of Agency data and associated business processes	February 2015 – September 2015
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	March 2015 – September 2015
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	October 2015 – February 2016
6) Test broker implementation Test broker outputs to ensure data are valid iteratively	October 2015 – February 2016
7) Update systems Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)	October 2015 – February 2017
8) Submit data Update and refine process (repeat 5-7 as needed)	March 2016 – May 9, 2017

Source: DATA Act Implementation Playbook

DATA Act Blueprint Guide

In March 2015, Treasury released the DATA Act Blueprint Guide. The guide contains models for major processes such as contracts, grants, loans, and finance. It is intended to assist agencies as they identify where data elements are reported, authoritative sources for the elements, and linkages and gaps between financial and management award systems.

Treasury's DATA Act Pilots

To test innovative concepts and strategies for implementation, Treasury deployed the Data Portal Pilot and DATA Act Implementation Pilot. The Data Portal Pilot is a beta website²⁰ that visualizes and publishes financial management data in accordance with the DATA Act. The DATA Act Implementation Pilot is a proof-of-concept²¹ effort designed to develop a data taxonomy necessary to map and reconcile agency management system data with agency financial system data.

Treasury's DATA Act Implementation Pilot, in part, is intended to inform Treasury's perspectives on building a prototype broker and documentation that can be used by other agencies as a tool for implementing the DATA Act requirements. In April 2015, while working with the General Services Administration's 18F,²² Treasury deployed this pilot using the Small Business Administration's fiscal year 2014 grants data. Treasury and 18F use GitHub as a repository to upload DATA Act files from agencies, validate the data, and convert it to uniform data. In December 2015, Treasury began using a testing environment, called a "sandbox," for Federal agencies to voluntarily test their data files using the prototype broker. The purpose of sandbox testing is to help agency's further their implementation plans, gain an understanding regarding how the agency data submission process might work, and obtain early feedback from agencies.

Treasury's DATA Act Implementation Playbook established February 2016 as the rollout date for the broker. However, January

²⁰ A beta website is one that a target audience can use to test working software. Changes are implemented based on user behavior and feedback.

²¹ A proof-of-concept effort evaluates whether a business idea works.

²² 18F is a team of system designers, developers, and product specialists inside the General Services Administration that serves as a civic consultancy for the government.

2016 progress-tracking metrics showed this date is “behind.” As of February 29, 2016, the production-ready broker has not been issued. In April 2016, Treasury released the alpha version of the production broker and anticipates releasing the production-ready broker in Fall 2016.

In November 2015, Treasury launched OpenBeta.USAspending.gov the future USAspending.gov site. The OpenBeta website provides an opportunity for the public to review, test, and provide feedback on data displayed and to search functionality components that will guide Treasury’s efforts to support the needs of data users. Over the next 2 years, Treasury plans to add new features and functionalities for the public to review on a rolling basis. While the OpenBeta site is available for public input, USAspending.gov will continue to be the official source for Federal spending data.²³

DATA Act Stakeholder Outreach

A critical component to implementing the DATA Act is the ability to conduct outreach to key public and private stakeholders. In fact, the DATA Act requires Treasury and OMB to consult with stakeholders in establishing data standards. Currently, Treasury and OMB engage and collect input from stakeholders and keep them informed about DATA Act requirements and resources through (1) monitoring agency implementation efforts through open source collaboration tools, such as Max.gov and GitHub; (2) publishing a “DATA Act Biweekly Digest” to keep SAOs and agency staff updated on recent and upcoming DATA Act activities and new developments; and (3) participating in transparency advocacy groups meetings and hosting a number of stakeholder outreach efforts, including agency implementation workshops and a weekly DATA Act “Office Hour.” The DATA Act Office Hour conference line provides an opportunity for agencies to share feedback on the implementation procession, seek answers to implementation issues, and raise Treasury and OMB’s awareness of challenges facing agencies.

²³ In February 2014, OMB designated Fiscal Service as the agency responsible for operating and supporting USAspending.gov. Upon assuming this responsibility, Fiscal Service developed and executed a strategy to refresh USAspending.gov. In a 2015 audit report, we found that Fiscal Service needed to better manage user expectations because of continuing concerns with the quality of data presented on the website. *DATA Act: USAspending.gov Refreshed, But Data Quality Issues Remain* (OIG-16-023; issued December 23, 2015)

Finding 2

All Federal Agencies Covered Under the DATA Act Need to Be Identified

The DATA Act requires Treasury, in consultation with OMB, to ensure the posting of information on USAspending.gov (or successor system), of any funds made available to, or expended by, a Federal agency or component of a Federal agency by May 2017. The term “Federal agency” under FFATA, as amended by the DATA Act, has the meaning given the term “Executive agency,” under 5 USC 105. This means that the DATA Act applies to each Executive Department,²⁴ Government corporation,²⁵ and each independent establishment in the executive branch (other than the United States Postal Service or the Postal Regulatory Commission) and the Government Accountability Office.²⁶ Additionally, the DATA Act requires Treasury and OMB to ensure that the data standards established are applied to the data made available on USAspending.gov (or a successor system) by May 2018. As mentioned previously, OMB M-15-12 requires Federal agencies to develop DATA Act implementation plans that (1) identify an SAO, (2) estimate resource requirements, (3) propose an implementation timeline, and (4) identify foreseeable challenges and resolutions. Additionally, Federal shared service providers should include specific information about anticipated costs and timelines necessary to implement the memorandum. The DATA Act Implementation Playbook referenced OMB’s September 2015 deadline for agencies to submit these implementation plans to OMB.

Treasury and OMB officials have told us that although most Federal agencies submitted agency implementation plans by the due date, some did not. Treasury, however, could not provide us with an inventory of agencies with implementation plans outstanding because they, along with OMB, have not determined the complete population of agencies to which the DATA Act applies.

²⁴ According to 5 USC 101, the Executive Departments are the Departments of State, the Treasury, Defense, Justice, the Interior, Agriculture, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation, Energy, Education, Veterans Affairs, and Homeland Security.

²⁵ According to 5 USC 103, Government Corporation means a corporation owned or controlled by the Government of the United States. A “Government controlled corporation” does not include a corporation owned by the Government of the United States.

²⁶ 5 USC 104

Some agencies that have not submitted plans may, in fact, be exempt from compliance, but others may simply lack DATA Act awareness or may have incorrectly determined that the DATA Act was not applicable. A Treasury official told us that Treasury and OMB are working to research the issue and plan to develop guidance to assist agencies as they determine if they are required to comply with the DATA Act. Treasury will also continue to explore options to engage in agency outreach to help ensure Federal agencies are aware of their responsibilities to comply with the Act.

Additionally, Treasury's listing of SAOs serving as the DATA Act point of contact is incomplete, with most gaps occurring among smaller Federal agencies. This may hamper the ability of Treasury and OMB to communicate with agencies, especially smaller ones, to facilitate compliance. Treasury officials told us that OMB plans to identify these points of contact in conjunction with their efforts to facilitate agency compliance with the DATA Act.

Finding 3

A Human Resource Plan Should Be Developed

Treasury's Government-wide DATA Act implementation effort may be vulnerable to delays caused by human resource constraints. Treasury has not developed a human resource plan to define the staffing needed to accomplish its strategic goal of making financial and payment data accessible and reusable. Additionally, the President's budget request proposed, and Congress appropriated, \$19.8 million in Fiscal Year 2016 for Treasury's DATA Act implementation efforts. The budget request, however, did not include funds for additional full-time employees.²⁷

In general, as a best practice, GAO has stated that agencies should determine the critical skills and competencies its workforce needs to achieve current and future agency goals and missions. Further, agencies should have succession plans in place for leadership and other critical positions.²⁸ As it specifically relates to project management, human resource planning determines and identifies human resources with the necessary skills for project success. According to the *Project Management Body of Knowledge*

²⁷ Public Law 114-113, Consolidated Appropriations Act, 2016 (December 18, 2015).

²⁸ GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning* (GAO-04-39; issued, December 2003).

(PMBOK), a human resource plan identifies and documents project roles, responsibilities, and reporting relationships. The plan also includes a staffing management plan, describing how human resource requirements will be met, and a timetable for staff acquisition and release. Staffing management plans typically describe necessary timeframes for project team members and document when acquisition activities, such as recruiting, should start.

The impact of not having a human resource plan became evident when the position of product owner for Treasury's DATA Act Implementation and Data Portal Pilots went unfilled. Treasury, an early adaptor of agile project methodology, detailed the product owner position to an individual from another agency with agile experience. The detailee was responsible for leading the pilots' development efforts by conveying the vision to the team, outlining work in the product backlog,²⁹ prioritizing work based on business value, and developing a system for the end users. The term of the detail for the product owner expired before the development phase of both pilots finished.³⁰ During fieldwork, a Treasury official told us that a successor had not been identified because of delays associated with the Federal hiring process and the difficulty of hiring the right person with the proper skill sets. In the meantime, this position's workload is being performed by Treasury's Deputy Assistant Secretary for Accounting Policy, who is also responsible for overall Government-wide DATA Act implementation efforts. Subsequent to our fieldwork, this position was filled in December 2015 according to the Treasury official.

In our prior audit, we reported that, as of October 2014, Fiscal Service's Data Transparency Office, also referred to as the PMO, had two full-time employees assigned to DATA Act activities. As of October 2015, there were eight full-time employees and one detailee assigned to DATA Act activities. A Treasury official stated that, although Treasury has not developed a human resource plan, the PMO has more staff than last year and has the basic team

²⁹ Backlog tracking is a list of features or technical tasks maintained by the team that, at a given moment, are known to be necessary and sufficient to complete a project.

³⁰ The DATA Act Implementation and Data Portal Pilots product-owner position was filled with an individual who was detailed to Treasury from the Consumer Financial Protection Bureau for the period January through August 2015.

intact. According to the official, the departure of the product owner will not impact the pilot programs.

Nevertheless, without a comprehensive, documented human resource plan, Treasury cannot demonstrate that it has given adequate consideration to the DATA Act implementation's human resource needs. We believe Treasury should give prompt attention to staffing and succession planning.

Finding 4 Stakeholder Questions Need to Be Addressed

In connection with their agency outreach efforts, Treasury and OMB solicit and receive agency questions on various aspects of the DATA Act, such as data standards, reporting requirements, implementation efforts, and technical issues. Agencies may submit questions by email or ask them during workshops, conference calls, and online discussion forums.

In June 2015, Treasury and OMB began recording questions received from Federal agencies using the Agency DATA Act Questions document posted on Max.gov, making the information readily available to all agencies. Responses to some questions are immediately provided. However, other questions require additional policy analysis by Treasury and OMB before a response is formalized. We noted that the response time to some questions was lengthy, thereby limiting the effectiveness of this communication tool. Specifically, during June through September 2015, agencies were provided the opportunity to submit questions to Treasury and OMB. In total, 60 questions were submitted by agencies. As of October 31, 2015, the end of our audit period, 25 of the 60 questions had been answered. Treasury officials told us that there are no standard operating procedures covering the process to address questions, and a target timeframe for answering questions have not been set.

Treasury and OMB provided a way (through the public GitHub site) for stakeholders to provide feedback during the process to standardize data elements. However, there is no methodology in place to document how feedback received on GitHub is considered and incorporated into DATA Act implementation efforts. We reviewed submissions on GitHub and noted that Treasury and OMB did not respond to stakeholder feedback on the site. When asked

about this, a Treasury official explained that Treasury does not respond directly to the comments posted, but it does look at the feedback and forwards the submission to OMB.

Finding 5 Project Management Documentation Needs to Be Improved

In our prior report, we identified concerns with project management documentation, including the absence of key project management artifacts; the use of project management documents that did not fully reflect recognized artifacts, tools, and metrics for either an agile or traditional project management methodology; and inconsistencies in the statuses reflected in tracking documents.³¹ We recommended that Treasury strengthen project management over the DATA Act implementation efforts by ensuring that project management artifacts appropriate to the project methodology deployed are adopted and maintained. Treasury management concurred with our recommendation, stating that they had implemented a number of process improvements, and in November 2014, filled the program manager position with an individual who had received formal training and was a Certified ScrumMaster^{®32}, demonstrating proficiency in an agile project management methodology. We acknowledge that Treasury is making efforts toward implementing our prior recommendations described in Appendix 2. However, during our current fieldwork, we identified continuing concerns with Treasury’s project management documentation:

- We identified inconsistencies and errors in project status reported on the Project Plan Master (Master Plan)³³ and Executive Dashboard.³⁴ The PMO develops the Master Plan to track projects in detail and as a source for summary project information presented to the ESC on the Executive Dashboard. For example, we noted a task within the Master

³¹ OIG, *Treasury Is Making Progress in Implementing the DATA Act But Needs Stronger Project Management* (OIG-15-034; issued May 19, 2015).

³² Scrum is an agile framework methodology. A Certified ScrumMaster[®] is a facilitator for a product development team who understands scrum methodology values, practices, and applications, and provides a level of knowledge and expertise above and beyond that of a traditional program manager.

³³ The Master Plan is a project schedule of tasks, duration, and start/end dates.

³⁴ The Executive Dashboard is a high-level summary of the status of the DATA Act implementation prepared by personnel within the PMO and used by members of the ESC to monitor the progress of the implementation.

Plan that was listed as 57 percent complete even though numerous sub-tasks had not been started. When we asked about the reporting of this task, Treasury personnel told us that the percentages were updated based on projected start and end dates rather than an actual assessment of work completed and remaining. In another case, a known delay with awarding a contract for OpenBeta.USAspending.gov was not consistently reflected on the Executive Dashboard status. A Treasury official stated that while the progress tracking metrics may contain errors, the PMO has always been transparent with the ESC regarding delays associated with DATA Act implementation efforts. In support of this statement, we noted that such delays were identified as potential risks.

- Records of key decisions made at ESC meetings were not formally documented and maintained.
- As mentioned previously, Treasury was unable to provide us with documentation supporting how it determined which of the data elements to be reported under the DATA Act required standardization.

Treasury personnel told us that a contributing factor to inconsistencies and inaccuracies in project status reports was the use of traditional project management artifacts (Master Plan and Executive Dashboard) to track projects, such as the pilots, that were deployed using agile project management. A Treasury official acknowledged that project management artifacts need to be strengthened, but stated that updating the Master Plan and Executive Dashboard to correspond to an agile environment would be difficult. According to the official, the PMO had not documented ESC meetings because of resource constraints, but planned to begin documenting the meetings in summer 2015. After completion of our fieldwork, we asked Treasury to provide us with ESC meeting notes for meetings held June through October 2015. Treasury was able to provide us with meeting notes for the ESC meetings held June through October 2015; however, these notes did not contain documentation to support all significant decisions made. Further, a Treasury official informed us that the meeting notes were not official minutes approved by the ESC. The Treasury official also stated that OMB was assigned the lead for selecting the data elements to be standardized and for maintaining the related documentation. However, we note the DATA Act assigns

responsibility for standardizing data elements to Treasury and OMB jointly.

According to PMBOK, the key benefit of monitoring and controlling processes is to regularly and consistently observe and measure performance and identify variances from the project management plan. Project status reports must be accurately maintained to provide project managers with the project information needed to timely identify risks and make appropriate decisions. Further, maintaining documentation is a fundamental tenet of government accountability and transparency. Accordingly, decisions made by project managers must be documented to provide the record of the conduct of government business.³⁵

Recommendations

We recommend that the Fiscal Assistant Secretary, working with OMB where applicable:

1. Finalize and release the production-ready broker to Federal agencies in an expeditious manner.

Management Response

Treasury agreed it is important to publish a stable production-ready broker to facilitate agency compliance with DATA Act reporting requirements. On May 2, 2016, OMB, in collaboration with Treasury, issued Management Procedures Memorandum No. 2016-03, which reflects the final policy decision on reporting architecture. In concert with this progress, Treasury released its stable DATA Act Information Model Schema version 1.0. Treasury released its production-ready broker alpha release in April 2016, and updated the release to synch up with the requirements of Schema version 1.0 at the end of May 2016. Agencies can test their Reporting Submission Specification data extractions, and plan for DATA Act implementation, using the production-ready broker alpha release. Consistent with its agile

³⁵ Treasury Directive 80-05, Records and Information Management Program, states that all program officials shall create and maintain adequate and proper documentation of the program for which they are responsible. This means a record of the conduct of government business that is complete and accurate to document the organization, functions, policies, decisions, procedures, and essential transactions to protect the legal and financial interests of the government.

implementation approach, Treasury will continue to roll out additional functionalities in the broker.

OIG Comment

Management's response meets the intent of our recommendation. Management will need to record a target date for completing the corrective action in JAMES.

2. Determine the population of Federal agencies required to comply with the DATA Act, and ensure that an SAO has been identified and a DATA Act implementation plan has been submitted to OMB for each agency in the population.

Management Response

Treasury agreed it is important to provide guidance to Federal agencies on the DATA Act and on May 18, 2016, Treasury and OMB published guidance to help Federal agencies determine whether they are required to comply with the DATA Act. The guidance provides that any Federal agency submitting data that OMB posts on its SF 133 Report on Budget Execution and Budgetary Resources is required to comply with DATA Act reporting, which includes the 24 CFO Act agencies and many smaller agencies. The guidance lists examples of agencies that meet the definition of Federal agency under the DATA Act and that submit data that OMB posts on its SF 133 Report. Establishing the SAO was OMB's lead role and OMB required agencies to submit implementation plans concurrent with budget formulation requests. Treasury will continue to assist OMB as needed on these requirements.

OIG Comment

Management's response meets the intent of our recommendation. Management will need to record a target date for completing the planned corrective action in JAMES.

-
3. Develop a comprehensive, documented human resource plan for Treasury's DATA Act implementation efforts.

Management Response

Treasury agreed that developing a human resource plan is necessary for accomplishing its strategic goal of making financial and payment data accessible and reusable in the long term. To achieve its short-term goal of implementing the DATA Act, since October 2015, Treasury has hired three additional full-time employees and filled the product owner function with one fulltime employee and one detailee. In addition, Treasury has acquired the services of a contractor to support program management and technical development functions. To ensure sustainability in the long-term, Treasury is developing a comprehensive human resource plan for Treasury's PMO function.

OIG Comment

Management's commitment to developing a comprehensive human resource plan for Treasury's PMO function meets the intent of our recommendation. Management will need to record a target date for completing the corrective action in JAMES.

4. Clear the backlog of unaddressed DATA Act stakeholder questions and develop standard operating procedures to ensure that stakeholder questions and feedback are accounted for and addressed in a timely manner.

Management Response

Treasury agreed that responding to stakeholder questions in a timely manner is an important component in engaging with stakeholders. Now that OMB and Treasury have made a final policy decision on the DATA Act reporting architecture and the stable DATA Act Information Model Schema version 1.0 has been released, the majority of outstanding agency stakeholder questions have been addressed. Treasury will post its [individual or aggregate] responses to the remaining stakeholder questions in the coming weeks. In addition, Treasury has developed standard operating procedures to triage stakeholder questions. Treasury's goal is to respond to stakeholder questions in as timely a manner as possible, although the response period may continue to be affected, on a case-by-case basis, by the time needed to make underlying policy or technical decisions.

OIG Comment

Management's commitment to respond to all stakeholder questions in as timely a manner as possible meets the intent of our recommendation. Management will need to record a target date for completing the corrective action in JAMES.

5. Continue efforts to strengthen project management over the DATA Act implementation, ensuring that (a) progress metrics provide a consistent, accurate measure of task status and (b) key management decisions are documented.

Management Response

Treasury agreed it is important to have strong DATA Act project management. As noted in the draft report, Treasury and OMB established a governance structure for implementation in Summer 2014, shortly after the enactment of the law. Based on the governance structure, Treasury and OMB delineated lead roles and responsibilities for various workstreams, including the lead role for OMB for data definitions, and the lead role for Treasury for the data exchange (schema). Treasury recognizes the importance of documentation and will continue to work with OMB to strengthen project management documentation, as

appropriate. In addition, the Treasury PMO has worked to improve project management documentation by developing standard operating procedures for certain PMO activities, including compiling and maintaining ESC meeting minutes. Treasury will continue to work to better document its agile development progress by improving project management artifacts and metrics.

OIG Comment

Management's response meets the intent of our recommendation. Management will need to record a target date for completing the corrective action in JAMES.

* * * * *

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) 927-6345 or Andrea Smith, Acting Director, Fiscal Service Audit, at (202) 927-8757. Major contributors to this report are listed in Appendix 4.

/s/

James L. Lisle, Jr.

Acting Deputy Assistant Inspector General for Audit

Our audit objectives were to determine the sufficiency of plans and actions taken by the Department of the Treasury (Treasury) and its Bureau of the Fiscal Service (Fiscal Service) as of October 31, 2015, to timely comply with the Digital Accountability and Transparency Act of 2014 (DATA Act) provisions to (1) establish Government-wide financial data standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds by May 2015; (2) ensure that this financial data is accurately posted and displayed on USAspending.gov (or a successor system) by May 2017; and (3) ensure the established data standards are applied to the financial data made available on the website by May 2018. This audit is the second of a series of audits on Treasury's implementation of the DATA Act.

To accomplish our audit objective, we took the following actions:

- reviewed the Federal Funding Accountability and Transparency Act of 2006 (FFATA), which outlines requirements for the Office of Management and Budget (OMB) to establish a single searchable website to provide the public with access to data on Federal spending
- reviewed the DATA Act, which outlines the requirements for Treasury to establish Government-wide financial data standards and increase the availability, accuracy, and usefulness of Federal spending information
- reviewed the President's Fiscal Year 2016 budget to determine funding requested to support Treasury's responsibilities under the DATA Act
- reviewed the Consolidated Appropriations Act, 2016 to determine the amount Congress appropriated to Treasury to fund activities related to DATA Act implementation efforts
- reviewed the DATA Act Risk Register dated August 11, 2015
- reviewed the Action Memorandum dated July 21, 2015, from Fiscal Service's Commissioner to Treasury's Fiscal Assistant Secretary regarding Treasury's election not to assume the assets of the Recovery Operations Center
- reviewed the DATA Act Executive Steering Committee Meetings – Operating Process dated June 30, 2015

- reviewed Treasury Directive 80-05, Treasury’s Records and Information Management Program (November 4, 2010)
- reviewed OMB memorandums to evaluate Treasury’s role and responsibilities regarding principles of government transparency, including
 - OMB M-10-06, Open Government Directive (December 8, 2009)
 - OMB M-15-12, Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable (May 8, 2015)
- reviewed the following Government Accountability Office (GAO) reports:
 - GAO-16-261, *DATA Act: Data Standards Established, but More Complete and Timely Guidance Is Needed to Ensure Effective Implementation* (January 29, 2016) to review GAO’s efforts to audit Treasury and OMB’s implementation of standardized data elements
 - GAO-04-39, *Human Capital: Key Principles for Effective Strategic Workforce Planning* (December 11, 2003) to establish criteria related to strategic workforce planning
 - GAO-12-681, *Software Development: Effective Practices and Federal Challenges in Applying Agile Methods* (July 27, 2012) to establish criteria related to agile project management
 - GAO-11-50, *Information Technology: Opportunities Exist to Improve Management of DOD’s Electronic Health Record Initiative* (October 06, 2010) to establish criteria related to traditional project management
 - GAO-14-704G, *Standards for Internal Control in the Federal Government* (September 2014)
 - GAO 15-752T, *DATA Act, Progress Made in Initial Implementation but Challenges Must be Addressed as Efforts Proceed* (July 29, 2015) to obtain an understanding of GAO’s testimony before the U.S. House of Representatives Subcommittees on Information Technology and Government Operations, and Oversight and Government Reform, on the potential transfer of the Recovery Operation Center assets to Treasury

- reviewed Project Management Institute’s *A Guide to the Project Management Body of Knowledge*, Fourth Edition (2008), to establish criteria related to traditional project management
- obtained an understanding of Fiscal Service’s Data Transparency Office structure and staffing by reviewing Fiscal Service 2014–2015 Tactical Priorities, the Data Transparency Office organizational chart, and a listing of project team members and their respective roles
- reviewed Treasury and OMB guidance related to the DATA Act implementation, including:
 - DATA Act Schema (several versions from May to December 2015)
 - DATA Act Blueprints (March 18, 2015)
 - DATA Act Implementation Playbook (June 2015)
 - Agency DATA Act Questions (June 26, 2015) and Agency DATA Act Questions (September 28, 2015)
 - DATA Act Elements Guidance Feedback Tracker (version 0.1.2, September 2015)
- reviewed Treasury’s DATA Act implementation planning documents, including:
 - Draft “White Paper: Implementing the DATA Act,” (June 26, 2014)
 - “Implementing the DATA Act: Treasury Roadmap,” presentation to the Chief Financial Officers Council (June 1, 2015)
 - “DATA ACT Implementation—Roadmap” (June 1, 2015)
 - “DATA Act Implementation—Executive Dashboard” (November 4, 2014–October 20, 2015)
 - “DATA Act Project Plan Master” (as of June 11, 2015)
 - Memorandum of Understanding Between the U.S. Small Business Administration and The Department of The Treasury, Fiscal Service (DATA Act Implementation Pilot, March 26, 2015)
 - Draft version 3, Treasury Data Portal Pilot Rough Order of Magnitude (February 13, 2015)
 - Mid-implementation Pilot Update (June 3, 2015)

- Interagency agreement Between Fiscal Service and Treasury Franchise Fund/Shared Services Programs (effective October 1, 2014)
- Interagency Agreement between Fiscal Service and General Services Administration/Office of Citizen Services & Innovative Technologies/18F (effective January 1, 2015)
- Spending Transparency Outreach Update and Plan (as of June 2, 2015)
- reviewed agendas and minutes from meetings for the Interagency Advisory Committee (December 19, 2014–August 5, 2015)
- reviewed agendas from meetings for the Executive Steering Committee (August 12, 2014–June 2, 2015)
- reviewed Senior Accountable Officials conference call notes (April 23, 2015–September 3, 2015)
- interviewed personnel responsible for Treasury’s DATA Act implementation efforts

We performed our audit fieldwork principally from March through November 2015.

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
 Prior OIG DATA Act Recommendations and Status of Related Corrective Actions

Prior OIG DATA Act Recommendations	Status as Reported by Treasury in the Department's Audit Management Tracking System (Joint Audit Management Enterprise System, or JAMES)	Status Based on Current Audit
<p>1. Strengthen project management over the DATA Act's implementation efforts by defining the project management methodology being used for each significant workstream and ensure that project management artifacts appropriate to those methodologies such as project planning tools, progress metrics, and collaboration documentation are adopted and maintained. (OIG-15-034)</p>	<p>Closed –Treasury's stated planned corrective actions were to:</p> <ul style="list-style-type: none"> • define the project methodology corresponding artifacts for each workstream; and • further develop project planning tools, progress metrics, and collaboration documentation. 	<p>Our current audit found that Treasury has made progress in improving its project management practices. However, we continue to identify concerns such as those presented in Finding 5 of this report. Specifically, we identified continuing inconsistencies and errors in the project status reported on the Master Plan and Executive Dashboard, and found that records of key decisions made are not formally documented and maintained. Further, in Finding 3 of this report we noted that Treasury has not developed a comprehensive human resource plan to define the staffing needed to accomplish its strategic goal of making financial management data accessible and reusable. In this report, we recommend that:</p> <ul style="list-style-type: none"> • Treasury continue efforts to strengthen project management over the DATA Act implementation, ensuring that progress metrics provide a consistent, accurate measure of task status, and key management decisions are documented. • Treasury develop a comprehensive, documented human resource plan for Treasury's DATA Act implementation efforts
<p>2. Ensure the individual charged with program management has the requisite qualifications, resources, and understanding of project management methodologies used to effectively fulfill that role. (OIG-15-034)</p>	<p>Closed - Treasury filled the role of program manager in November 2014. The individual, a Certified ScrumMaster®, had the requisite qualifications, to fulfil that role.</p>	<p>Treasury's corrective actions to hire a program manager with requisite qualifications addressed this recommendation.</p>

Source: JAMES and Treasury Office of Inspector General analysis.



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 8, 2016

James L. Lisle, Jr.
Director, Fiscal Service Audits
Office of the Inspector General
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Mr. Lisle:

Thank you for the opportunity to review and comment on the Treasury Office of Inspector General (OIG) draft audit report regarding Department of the Treasury efforts to meet its responsibilities under the Digital Accountability and Transparency Act of 2014 (the "DATA Act"). This is the OIG's second DATA Act audit.

Since the enactment of the DATA Act in May 2014, Treasury has made significant progress in implementing the DATA Act in partnership with the Office of Management and Budget (OMB). Once implemented, the DATA Act will make it easier to understand how the Federal government spends taxpayer dollars. It will also serve as a tool for better oversight, data-driven decision-making, and innovation both inside and outside of government. We believe that better data leads to better decisions and ultimately a better government.

When we began this process two years ago, Treasury identified a number of potential implementation challenges including the transformative nature of the DATA Act, short statutory deadlines, funding constraints, and the need to consider ongoing and evolving stakeholder interests. The reporting of financial and payment information, consistent with the purposes of the DATA Act, requires the association or linkage of a myriad of disconnected data elements from hundreds of financial and management systems across the Federal enterprise to more transparently account for Federal funds. Due to these challenges, Treasury recognized that a traditional project management approach would not be effective. As you are aware, we made the decision to implement a recognized agile (and iterative) approach to DATA Act implementation which we believe is paying off. We appreciate the OIG's acknowledgement of the progress we have made in the issuance of guidance, establishment of the data standards, development of resources to assist agency implementation, and the engagement of stakeholders.

The draft audit report makes five recommendations as follows:

1. Finalize and release the production-ready broker to Federal agencies in an expeditious manner.

Treasury agrees it is important to publish a stable production-ready broker to facilitate agency compliance with DATA Act reporting requirements. On May 2, 2016, OMB, in collaboration with Treasury, issued Management Procedures Memorandum No. 2016-03, which established the authoritative sources to be used by Federal agencies in DATA Act reporting. Memorandum No. 2016-03 reflects the final policy decision on reporting architecture. In concert with this progress, Treasury released its stable DATA Act Information Model Schema (DAIMS) v1.0 the same week, on April 29, 2016. Prior to v1.0, Treasury released four versions of draft DAIMS beginning in May 2015 for stakeholders input. Schema v1.0, which articulates the relationship between data elements as well as format and data validation requirements, implements the final reporting architecture policy and provides agencies the technical guidance to finalize their plans. Treasury released its production-ready broker alpha release in April 2016, and updated the release to synch up with the requirements of Schema v1.0 at the end of May 2016. Agencies can test their Reporting Submission Specification (RSS) data extractions, and plan for DATA Act implementation, using the production-ready broker alpha release. Consistent with its agile implementation approach, Treasury will continue to roll out additional functionalities in the broker.

2. Determine the population of Federal agencies required to comply with the DATA Act, and ensure that an SAO has been identified and a DATA Act implementation plan has been submitted to OMB for each agency in the population.

Treasury agrees it is important to provide guidance to Federal agencies on the DATA Act. The DATA Act defines the term "Federal agency" as having the meaning given the term "Executive agency" under 5 U.S.C. § 105, which consists of each Executive department, each Government corporation, each Independent establishment in the executive branch (other than the United States Postal Service or the Postal Regulatory Commission), and the Government Accountability Office. On May 18, 2016, Treasury and OMB published guidance to help Federal agencies determine whether they are required to comply with the DATA Act. The guidance provides that any Federal agency submitting data that OMB posts on its SF 133 Report on Budget Execution and Budgetary Resources is required to comply with DATA Act reporting, which includes the 24 CFO Act agencies and many smaller agencies. The guidance lists examples of agencies that meet the definition of Federal agency under the DATA Act and that submit data that OMB posts on its SF 133 Report. Establishing the SAO was OMB's lead role and OMB required agencies to submit implementation plans concurrent with budget formulation requests. Treasury will continue to assist OMB as needed on these requirements.

3. Develop a comprehensive, documented human resource plan for Treasury's DATA Act implementation efforts.

Treasury agrees that developing a human resource plan is necessary for accomplishing its strategic goal of making financial and payment data accessible and reusable in the long term. To achieve its short term goal of implementing the DATA Act, since October 2015, Treasury has hired three additional full-time employees and filled the product owner function with one full-time employee and one detailee. In addition, Treasury has acquired the services of a contractor to support program management and technical development functions. To ensure sustainability in

Appendix 3
Management Response

the long-term, Treasury is developing a comprehensive human resource plan for the Treasury Program Management Office (PMO) function.

4. Clear the backlog of unaddressed DATA Act stakeholder questions and develop standard operating procedures to ensure that stakeholder questions and feedback are accounted for and addressed in a timely manner.

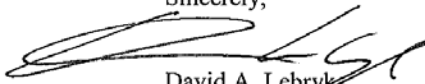
Treasury agrees that responding to stakeholder questions in a timely manner is an important component in engaging with stakeholders. Now that OMB and Treasury have made a final policy decision on the DATA Act reporting architecture and the stable DAIMS v1.0 has been released, the majority of outstanding agency stakeholder questions have been addressed. Treasury will post its [individual or aggregate?] responses to the remaining stakeholder questions in the coming weeks. In addition, Treasury has developed standard operating procedures to triage stakeholder questions. Treasury's goal is to respond to stakeholder questions in as timely a manner as possible, although the response period may continue to be affected, on a case-by-case basis, by the time needed to make underlying policy or technical decisions.

5. Continue efforts to strengthen project management over the DATA Act implementation, ensuring that (a) progress metrics provide a consistent, accurate measure of task status and (b) key management decisions are documented.

Treasury agrees it is important to have strong DATA Act project management. As noted in the draft report, Treasury and OMB established a governance structure for implementation in the summer of 2014, shortly after the enactment of the law. Based on the governance structure, Treasury and OMB delineated lead roles and responsibilities for various workstreams, including the lead role for OMB for data definitions, and the lead role for Treasury for the data exchange (schema). Treasury recognizes the importance of documentation and will continue to work with OMB to strengthen project management documentation, as appropriate. In addition, the Treasury PMO has worked to improve project management documentation by developing standard operating procedures for certain PMO activities, including compiling and maintaining Executive Steering Committee meeting minutes. Treasury will continue to work to better document its agile development progress by improving project management artifacts and metrics.

Thank you for your efforts and assistance in conducting this audit. We are committed to the continuous improvement of Treasury's DATA Act implementation efforts, and we look forward to working with you to achieve that goal.

Sincerely,



David A. Lebrylk
Fiscal Assistant Secretary

Appendix 4
Major Contributors to This Report

Andrea D. Smith, Acting Director, Fiscal Service Audit
Horace A. Bryan, Auditor-in-Charge
Maria M. McLean, Auditor
Avery L. Williams, Auditor
Fawntrella L. Thompson, Referencer
Jeffrey T. Dye, Referencer

Department of the Treasury

Deputy Secretary
Fiscal Assistant Secretary
Deputy Fiscal Assistant Secretary for Accounting Policy and
Financial Transparency
Office of the Deputy Chief Financial Officer, Risk and Control
Group
Office of Strategic Planning and Performance Management

Bureau of the Fiscal Service

Commissioner
Director, Finance and Internal Control Division
OIG Liaison

Office of Management and Budget

Controller
OIG Budget Examiner



Treasury OIG Website

Access Treasury OIG reports and other information online:

<http://www.treasury.gov/about/organizational-structure/ig/Pages/default.aspx>

Report Waste, Fraud, and Abuse

OIG Hotline for Treasury Programs and Operations – Call toll free: 1-800-359-3898

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

Email: Hotline@oig.treas.gov

Submit a complaint using our online form:

<https://www.treasury.gov/about/organizational-structure/ig/Pages/OigOnlineHotlineForm.aspx>