Presentation before the Chief Financial Officers Council
General Services Administration Conference Center
Washington, DC – April 19, 2016

DATA Act Oversight

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Slide 1
What We’ll Talk About Today—

✓ DATA Act Overview
✓ Oversight Requirements
✓ IG Community DATA Act Working Group
✓ Addressing the IG Date Anomaly and Readiness Reviews
✓ Developing the IG Required Review Methodology
✓ Preparing for the IG Required Reviews
✓ Looking Beyond the First IG Review
Digital Accountability and Transparency Act of 2014

Purposes, in part:

- expand FFATA by disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies

- establish Government-wide data standards for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately on USASpending.gov (or a successor system)

- improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted
Key Dates

- May 2017 – Treasury/OMB to Ensure Financial Data Is Posted on USASpending.gov (or a successor system)
- May 2018 – Treasury/OMB to Ensure Standards Are Applied to Data on USASpending.gov (or a successor system)
Oversight Requirements

Agency Inspectors General – 3 reviews

- *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

- Reviews due November 2016, November 2018, November 2020
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

- Reviews due November 2017, November 2019, November 2021
DATA Act Enacted • May 9, 2014

Treasury/OMB Issue Data Standards • By May 2015

1st IG Report • By Nov 2016

Federal Agencies Start Using Data Standards • By May 2017

1st GAO Report • By Nov 2017

Treasury/OMB Ensure Data Standards Applied • By May 2018

2nd IG Report • By Nov 2018

2nd GAO Report • By Nov 2019

3rd IG Report 3rd GAO Report

• By Nov 2020 (IG)
• By Nov 2021 (GAO)
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

82 members from 26 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”

Next steps

✓ Update common methodology for readiness reviews
✓ 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

- 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

11 Agencies have begun readiness reviews so far
Developing the IG Required Review Methodology

- Principal Working Group focus
- We are consulting with GAO

Issues
- Treasury/OMB guidance and tools still a work-in-process
- Reliance on management’s internal controls
- Leveraging financial audit test work
- Statistical sampling approach
  - Transaction level testing and source documentation – how far do we need to go
  - Summary financial data testing
Preparing for the IG Required Reviews

- IGs will be looking for:
  - A description of the design, and documentation of the regular execution, of the control procedures and systems through which agency management gains assurance that the data submitted by the agency under the Act is complete, timely, accurate, and compliant with applicable data standards; and
  - A description of how systems and processes interact to provide an auditable record of the data submitted under the Act
  - In other words – document, document, document

- We encourage agencies to share information with their IG about plans and processes as they are developed and implemented

Slide 12
Management, not the IGs, are responsible for completeness, timeliness, quality, and accuracy of spending data

*How are you getting happy with your numbers?*
Looking Beyond the First IG Review

- The DATA Act allows for the 2\textsuperscript{nd} (November 2019) and 3\textsuperscript{rd} (November 2021) required IG review to be part of the annual financial audit report
  - This approach, if elected by the IG, will likely entail amending contracts
Questions?