DATA Act Oversight

Presenters: Jim Lisle and Bob Taylor on behalf of the Federal Audit Executive Council DATA Act Working Group
What We’ll Talk About Today—

✓ DATA Act Purposes
✓ 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
  - Management/SAOs, Inspectors General, GAO
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 • By Nov 2020 (IG)
3rd GAO Report • 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
- Over 90 members from 29 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

*Slide 8*
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

➢ Over 10 OIGs have started readiness reviews
Developing the IG Required Review Methodology

- Principal Working Group focus
- We are consulting with GAO
- Considerations
  - Treasury/OMB guidance recently issued
  - Broker still a work-in-process
  - Reliance on management’s internal controls
  - Data from systems outside of agency (FPDS-NG, SAM, FSRS)
  - 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

*Slide 11*
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
Management, not the IGs, are responsible for completeness, timeliness, quality, and accuracy of spending data

*How are SAOs getting happy with their agencies’ data submissions?*
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?