U.S. Department of Education
Office of Inspector General

The Department's Compliance Under the DATA Act

November 7, 2017
ED-OIG/A19R0005

NOTICE

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. The appropriate Department of Education officials will determine what corrective actions should be taken.

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

November 7, 2017

TO: Jason Gray
Senior Accountable Official
Chief Information Officer
Office of the Chief Information Officer

FROM: Patrick J. Howard /s/
Assistant Inspector General for Audit

SUBJECT: Final Audit Report, "The Department's Compliance Under the DATA Act," Control Number ED-OIG/A19R0005

Attached is the subject final audit report that covers the results of our review of The Department's Compliance Under the DATA Act. We have provided an electronic copy to your audit liaison officer. We received your comments concurring with the recommendations in our draft report.

U.S. Department of Education policy requires that you develop a final corrective action plan within 30 days of the issuance of this report. The corrective action plan should set forth the specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this final audit report. Corrective actions that your office proposes and implements will be monitored and tracked through the Department's Audit Accountability and Resolution Tracking System.

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on the audits that remain unresolved after 6 months from the date of issuance.

We appreciate your cooperation during this review. If you have any questions, please contact Michele Weaver-Dugan at (202) 245-6941 or Michele.Weaver-Dugan@ed.gov.

Attachment

FINAL REPORT

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Results in Brief

What We Did

The objective of our audit was to assess (1) the completeness, timeliness, quality, and accuracy of fiscal year (FY) 2017, second quarter financial and award data submitted for publication on USASpending.gov and (2) the Department of Education's (Department) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury).

What We Found

We found that the Department generally met the Digital Accountability and Transparency Act of 2014 (DATA Act) reporting requirements for the FY 2017 second quarter. Specifically, we found that the Department had adequate controls over its DATA Act source systems and submission processes to reasonably assure that reported data was accurate, timely, of quality, and complete. We found that the Department's FY 2017 second quarter summary and award-level data submitted as part of required DATA Act reporting was timely, and generally accurate, of quality, and complete, and that the Department reported the data in accordance with established Government-wide financial data standards. However, we found that the Department's validation and reconciliation processes did not initially ensure that award-level transactions that should not be included in the submitted and certified data were appropriately excluded. Further, we found that linkages between award-level data in the Department's systems and the data extracted from external award systems by the Treasury DATA Act Broker were not always complete, and that selected reported data elements were not always consistent with the data contained in the authoritative source system. Incomplete linkages and data inconsistencies may increase the possibility of reporting errors, and reduce the transparency and reporting capabilities of financial and award data, including non-financial award attributes, contrary to what is required by the DATA Act.

What We Recommend

We recommend that the Senior Accountable Official:

1.1 Update formal procedures, including applicable programming code, to ensure a process is in place that will identify transactions that do not need to be included in DATA Act submissions.

1.2 Continue to coordinate with Treasury to ensure that all Award ID linkages are complete and data inconsistencies are appropriately addressed.

We provided a draft of this report to the Department for comment. The Department concurred with the recommendations and provided responsive corrective actions.

Introduction

Background

The DATA Act, enacted on May 9, 2014, aims to make information on Federal expenditures more easily accessible and transparent. The DATA Act requires that Federal agencies report financial and award data in accordance with established Government-wide data standards beginning in May 2017. The May 2017 submission consists of second quarter FY 2017 data and data will be reported every quarter thereafter. The reported data will be displayed on USASpending.gov.

In May 2015, OMB and Treasury published 57 data standards and required Federal agencies to report financial data in accordance with these standards for DATA Act reporting. OMB provided additional guidance on May 3, 2016, that outlined requirements for Federal agencies to associate data in agency financial systems with a unique award identification number to facilitate the linkage of summary and award-level data. The guidance also provided that on a quarterly basis, agency Senior Accountable Officials (SAO) must provide reasonable assurance that their agency's internal controls support the reliability and validity of the agency's summary-level and award-level data submitted to Treasury for publication on USASpending.gov.

The DATA Act Information Model Schema (DAIMS) details how the data flows from the agency financial and awards systems to USASpending.gov (see Appendix B). Within 30 days of the end of each quarter, agencies are required to certify and submit the following files to USASpending.gov via a DATA Act Broker (Broker) operated by Treasury:

File A: Appropriations Account
File B: Object Class and Program Activity
File C: Award Financial Data
File D1: Procurement Award and Awardee Attributes
File D2: Financial Assistance Award and Awardee Attributes
File E: Additional Awardee Attributes- Highly Compensated Officer Data
File F: Sub-Award Attributes

The DATA Act requires at least one linkage between all of the seven DATA Act files, such as the Treasury Account Symbol (TAS) for File A to B, or the Award Linkage Identifier for File C to Files D1 and D2.

Files A, B, and C are extracted from the agency's internal financial systems and uploaded to the Broker. Files A and B are summary-level financial data. File A contains information on budget authority by appropriations account, while File B breaks the appropriations down into obligations and outlays by object class and program activity. File C contains financial information at the individual award level.

Files D1 through F contain detailed demographic information for award-level transactions reported in File C and are extracted by the Broker from various external award reporting systems. File D1 contains award-level financial data and information about the recipients of procurement awards, while D2 provides similar information for financial assistance awards. File E contains personnel and other information about entities receiving federal funds, while File F provides financial data and information about the entities receiving subawards made by recipients of federal funds.

The files are subjected to individual and cross file automated validation rules performed by the Broker. Any errors noted must be corrected and the files resubmitted. Warnings do not require any corrections, but the agency should make note of the issues. Once the files successfully pass the validations, the SAO can certify the data and submit it for publication on USAspending.gov.

The DATA Act requires the Office of Inspector General (OIG) of each Federal agency to review a statistically valid sample of the spending data submitted by its Federal agency and to submit to Congress a publicly available report assessing the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of the Government-wide financial data standards by the agency. As written in the Act, the first set of OIG reports was due to Congress in November 2016. However, Federal agencies were not required to submit spending data until May 2017. As a result, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) submitted a letter to Congress noting its plan for the Inspectors General to provide the first required report in November 2017, with subsequent reports submitted in November 2019 and November 2021.

In consultation with the Government Accountability Office (GAO), the CIGIE DATA Act Working Group developed a review guide to set a baseline framework for the required reviews performed by the OIG community and to foster a common methodology for performing these mandated reviews.

Finding 1. The Department Generally Met DATA Act Reporting Requirements

The Department generally met DATA Act reporting requirements. Specifically, we found that the Department had adequate controls over its DATA Act source systems and submission processes to reasonably assure that reported data was accurate, timely, of quality, and complete. We found that the Department's FY 2017 second quarter summary and award-level data submitted as part of required DATA Act reporting was timely, and generally accurate, of quality, and complete. We also determined that the Department reported the data in accordance with established Government-wide financial data standards. However, we found that the Department's validation and reconciliation processes did not initially ensure that award-level transactions that should not be included in the submitted and certified data were appropriately excluded. Further, we found that linkages between award-level data in the Department's systems and the data extracted from external award systems by the Treasury Broker were not always complete, and that selected reported data elements were not always consistent with the data contained in the authoritative source system.

Assessment of Internal Controls Over DATA Act Source Systems and Processes

We found that the Department has adequate internal controls in place over its financial and award systems and can be relied upon as authoritative sources for information reported by the Department in accordance with the DATA Act. We reviewed internal control testing of the Department's source systems, including the Financial Management Support System (FMSS), Contracting and Purchasing Support System (CPSS), and G5, performed by independent auditors that conducted the Department's annual A-123 review, as well as the independent auditors that performed the Department's annual financial statement audit. We found the work performed was sufficient in scope for the purpose of our review and noted that there were no significant deficiencies, material weaknesses, and/or other substantive errors found in the internal controls over the agency financial systems.

We also reviewed the Management Discussion and Analysis included in the FY 2016 Agency Financial Report and found that the Department concluded that financial management systems are designed to support effective internal control and produce accurate, reliable, and timely financial data and information. The Department also concluded that its financial management systems substantially comply with the Federal Financial Management Improvement Act, which requires that financial management systems provide accurate, reliable and timely financial management information.

In addition, we determined that the Department has adequate internal controls in place over its DATA Act submission process to reasonably assure that the data submitted is complete, accurate, timely, and of quality. The Department uses an independent validation process to test the reportable award-level data before submitting it to the Broker. These tests include reconciliation of award-level data to the Statement of Budgetary Resources (SBR) and the Department's Trial Balance. The Department uses the data validation rules developed by Treasury to test the summary-level award data before submitting and certifying it in the Broker. These tests include reconciliation of the summary-level data against SF-133 *Report on Budget Execution and Budgetary Resources* reports (SF-133) obtained from the Government-wide TAS Adjusted Trial Balance System. The Department relies on existing pre-DATA Act controls to provide assurances over the accuracy, completeness, timeliness, and quality of the non-financial award-level data attributes, such as the Agency Procurement Data Quality Report for procurement data[1] and data validations that were built into the Award Submission Portal (ASP) for financial assistance data.[2]

Assessment of Summary-Level Data

We found that the Department's summary-level data was timely, accurate, of quality, and complete. Specifically, we found that the Department's year-to-date reporting of the appropriations account data (File A) matched the total appropriations reported in the March 2017 SF-133. We found an insignificant (less than 0.000003 percent) variance between the totals in the object class and program activity data (File B) that we tested against File A. We also found that the Department reported all applicable transactions to the Broker within 30 days of the end of the reporting quarter as required. In addition, we found that the Department reported the summary-level data in accordance with established Government-wide financial data standards. This included reporting data that contained all applicable standardized data elements and all data elements being presented in conformance with the established data standard for those elements.

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[1] In accordance with Federal Acquisition Regulation Part 4.604 and related guidance, agency Chief Acquisition Officers must certify annually each January to the Office of Federal Procurement Policy and the General Services Administration (GSA) that their previous FY's Federal Procurement Data System-Next Generation (FPDS-NG) records are complete and accurate.

[2] The ASP has been replaced by a module of the DATA Act Broker called Financial Assistance Broker Submission (FABS).

Assessment of Award-Level Data

We found that the Department's award-level data was timely, and generally accurate, of quality, and complete. However, we found that the Department's validation and reconciliation processes did not initially ensure that award-level transactions that should not be included in the submitted and certified data were appropriately excluded. Further, we found that linkages between the award-level data in File C and the award-level data in Files D1 through F were not always complete and that selected reported data elements were not always consistent with the data contained in the authoritative source system.

We reconciled the award-level data reported in File C to the Department's CPSS[3] and G5.[4] We found that the award data for all transactions in File C matched the records in those systems. We also found that the Department reported all applicable transactions to the Broker within 30 days of the end of the reporting quarter as required. However, we found that the Department included 14 transactions that should not have been included in the award-level data. These transactions included Object Classes pertaining to personnel compensation and benefits that should have been excluded from reporting. We found that the Department's validation and reconciliation process tested the accuracy of the submitted data, to include that all required object codes were included, but did not include a process to identify data with object codes that should have been excluded.

We found that there was not always a reliable Award ID linkage between award-level transactions in the Department's DATA Act submission and the corresponding financial and non-financial award attribute data files extracted from external award systems by the Treasury Broker. Overall, we found that 3,555 (2.8 percent) of the 124,966 transactions included in File C did not have a reliable Award ID linkage. Specifically, we were unable to match the Procurement Instrument Identifier Number (PIID) for 1,690 (73.7 percent) of the 2,293 award-level procurement transactions included in File C to the corresponding Award and Awardee Attribute for Procurement Award report (File D1) generated by the Broker. We were also unable to match the Financial Assistance Identifier Number (FAIN) for 1,865 (1.5 percent) of the 122,673 financial assistance transactions included in File C to the corresponding Award and Awardee Attribute Financial Assistance Award report (File D2) generated by the Broker. The Award ID serves as the key to associate data across management systems and financial systems and serves to facilitate timely reporting of award level financial data and reduce

[3] CPSS is the Department's system of record for procurement awards.

[4] G5 is the Department's system of record for financial assistance awards.

reporting errors and also serves as the primary mechanism moving forward for associating expenditures with individual awards as required by the Federal Funding Accountability and Transparency Act (FFATA) and the DATA Act.

In addition, we selected a statistical random sample of 385 transactions from the universe of 124,966 transactions contained in File C and tested award-level linkages from File C through File F. Of the 356 transactions that contained Award ID linkages between File C and Files D1 or D2,[5] we found that 50 transactions (14 percent) contained the Awardee or Recipient Unique Identifier in D1 or D2, also referred to as the Data Universal Number System (DUNS) number, that creates the link to Files E and F.[6] For File E, we found that 6 (12 percent) of the 50 transactions did not link by DUNS number. For File F, we found that 48 (96 percent) of the 50 transactions did not link by the DUNS number.[7]

We further tested award level linkages between the 385 sampled transactions from File C and Files D1-E by matching selected financial and non-financial data elements to data contained in the authoritative source systems. Of the 385 transactions sampled, 7 transactions were associated with File

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[5] We conducted a review of the linkages in File C to Files D1 and D2 for all (100 percent) of the transactions in File C. A discussion of this analysis is covered in the preceding paragraph.

[6] The DAIMS FABS validation rules note that the Awardee or Recipient Unique Identifier is not required for loans, direct payments, insurance, and other types of financial assistance transactions. We did not specifically determine whether the transactions that did not include the Awardee or Recipient Unique Identifier were included in one of these categories as the validation rules establish parameters and rules for reporting on this data element. If the data did not conform to the validation rules, an error would have been reported and the Department would have been unable to publish its data. We found no evidence that this occurred. [Although the Department would have been reporting through the ASP for the time period covered by our audit, there were no major changes noted to the validation rules associated with this data element.]

[7] File E contains additional awardee attribute information extracted from SAM via the Broker. File F contains sub-award attribute information extracted from the FFATA Sub-Award Reporting System (FSRS) via the Broker. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. Data reported from these two award reporting systems are generated in the Broker for display on USASpending.gov. As outlined in OMB's Management Procedures Memorandum (MPM) 2016-03, the authoritative sources for the data reported in Files E and F are SAM and FSRS respectively with no additional action required of Federal agencies. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the Broker.

D2. [8] For File D1, of the two transactions that linked to File C by PIID, the reported data for all selected data elements matched applicable data in the Department's financial system and the FPDS-NG.[9] For File D2, of the 354 transactions that linked to File C by FAIN, we were able to verify that the financial data for all 354 transactions matched the Department's authoritative source system, G5. We were able to locate 283 of the 354 transactions in SAM.[10] We found that 35 transactions (12.4 percent) contained at least one data element that did not match data in SAM. Specifically, we found that for 24 transactions (68.6 percent) the Legal Entity Address did not match to SAM and for 12 transactions (34.3 percent) the Congressional District Code did not match to SAM.

Lastly, we found that the Department reported the award-level data in accordance with established Government-wide financial data standards. This included reporting required standardized data elements and presenting all data elements in conformance with the established data standard for those elements.

OMB Memo M-17-04, Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability, dated November 4, 2016, states that the SAO is required to assure that the data in each DATA Act file submitted for display on USASpending.gov is valid and reliable. This memo also requires that the SAO assure that the linkages across all data in Files A through F are valid and reliable. It states that where there are legitimate differences between files, the SAO should have categorical explanations for misalignments.

OMB Memo M-15-12, Increasing Transparency of Federal Spending by Making Spending Data Accessible, Searchable, and Reliable, dated May 8, 2015, states that all Federal agencies must carry the prime award identification number (Award ID) so that award-level and financial data may be linked for each Federal award. Agencies are required to link award-level transactions using the PIID for procurement awards and by the FAIN for financial assistance records.

The DATA Act Implementation Playbook, Version 2.0, , dated June 24, 2016, states that award-level financial and award data (File C) should be linked to the corresponding award-level data attribute files using the Unique PIID and Parent PIID for procurement

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[8] File D1 contains award-level financial data and information about the recipients of procurement awards while D2 provides similar information for financial assistance awards.

[9] As noted in OMB M-17-04, the authoritative source for D1 is FPDS-NG.

[10] As noted in OMB M-17-04, the authoritative source for D2 is the agency award management system and SAM.

awards (in D1) and the FAIN or Unique Record Identifier for financial assistance records (in D2).

Section 4 of the DATA Act, enacted May 9, 2014, states that agencies shall report financial and payment information data in accordance with the established data standards.

OMB MPM No. 2016-03, Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information," dated May 3, 2016, adds that the data must be reported in accordance with 57 data definitions.

The DATA Act Schema, Version 1.0, File C – Award Financial Information, dated June 2016, notes that the award-level financial data does not include payroll related expenses as there would be no awards included in the transaction.

According to the Office of the Chief Information Officer (OCIO), at the time the programming code used to extract the award-level financial data was developed, the Department was unaware that contract related transactions reported at the award-level included Object Classes that were not required to be reported under the DATA Act, such as payroll expenses. Upon our notifying OCIO and the Office of the Chief Financial Officer (OCFO) of the transactions that should not have been included, OCFO stated that it manually removed these transactions for the third quarter and OCIO stated that it will permanently fix the code when it is updated in October. OCFO noted that its reconciliation process for the second quarter submission did not capture this error because it did not test the data by Object Class, only by totals. OCFO subsequently provided us with the results of its award-level data reconciliation reports for the third quarter submission which noted a change in process to include reconciliation by both total amount and Object Class. We determined that the revised procedures ensured that Object Classes that should not have been included were not included in the third quarter submission.

With regard to award linkages, the Department noted that it has received warnings from the Broker regarding problems with linkages but stated that warnings do not prevent an agency from submitting and publishing its data like items noted as errors would. The Department is aware of the warnings and noted that it attempts to identify the cause of the warning and to correct the data that it can. The Department has tested the PIIDs as part of its annually required FPDS-NG Data Verification and Validation Report to OMB and GSA that compares data from its contract files to the data in FPDS-NG and has not noted these errors. The Department stated that the problem could actually be with the programming code that Treasury is using to extract the data from this system into D1. The Department noted that it has communicated this issue to

Treasury on multiple occasions, to include via email and during weekly DATA Act meetings.

With regard to the inconsistencies in the reported data elements in the selected File D2 transactions, the Department noted that it submits data bimonthly to USASpending.gov via the ASP. Before the Department submits its bimonthly data file to the ASP, it reviews the accuracy of the data. The Department stated it uses SAM as its authoritative source for non-financial recipient information and that it compares certain data fields such as address and zip code from this system to data from sources such as the U.S. Postal Service to ensure accuracy. Any needed corrections are made to the ASP submission but are not made in SAM, as the Department is not permitted to change the information in SAM. Since File D2 is generated by the Broker from the ASP, the information will not always match to SAM for the reasons noted. The Department has reported its concerns over SAM data quality to Treasury.

Incomplete linkages and data inconsistencies may increase the possibility of reporting errors, and reduce the transparency and reporting capabilities of financial and award data, including non-financial award attributes, contrary to what is required by the DATA Act.

Recommendations

We recommend that the SAO:

1.1 Update formal procedures, including applicable programming code, to ensure a process is in place that will identify transactions that do not need to be included in DATA Act submissions.

1.2 Continue to coordinate with Treasury to ensure that all Award ID linkages are complete and data inconsistencies are appropriately addressed.

Department Comments

We provided a draft of this report to the Department for comment. The Department concurred with the recommendations and stated that it expects that the recommendations will further improve its implementation of DATA Act requirements. For Recommendation 1.1, the Department stated that it will update its operating procedures to state that applicable programming code be maintained to identify transactions that do not require inclusion in the DATA Act submissions. For Recommendation 1.2, the Department stated that it will continue to coordinate with Treasury as has transpired on a recurring basis to date, to ensure that all Award ID linkages are complete and that data inconsistencies are appropriately addressed.

OIG Response

The Department's comments were responsive to the recommendations. We did not make any changes to the finding or recommendations as a result of the Department's comments.

Appendix A. Scope and Methodology

The objective of our audit was to assess (1) the completeness, timeliness, quality, and accuracy of FY 2017, second quarter financial and award data submitted for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by OMB and Treasury. Our audit was performed in accordance with the IG Guide to Compliance Under the DATA Act prepared by the CIGIE Federal Audit Executive Council DATA Act Working Group. The Guide presented a baseline framework and common methodological and reporting approach for the IG community to use in performing its mandated work.

To accomplish our objective, we gained an understanding of the internal controls over the Department's DATA Act source systems and related reporting processes. Specifically, we reviewed internal controls to determine whether the controls over financial and award systems were properly designed, implemented, and operating effectively and could be relied upon as authoritative sources for information reported by the agency in accordance with the DATA Act. To do this we reviewed internal control testing of the Department's source systems, including FMSS, CPSS, and G5, performed by the independent auditors that conducted the Department's annual A-123 review as well as the independent auditors that performed the Department's annual financial statement audit. We also reviewed the Management Discussion and Analysis included in the FY 2016 Agency Financial Report and the Department's FY 2016 Agency Procurement Data Quality Report.

We reviewed applicable laws, regulations, Department policies and procedures, and OMB and Treasury guidance related to the Department's reporting responsibilities under the DATA Act, and GAO "Standards for Internal Control in the Federal Government." We conducted interviews with Department staff in OCFO and OCIO responsible for implementing DATA Act requirements and certifying and reporting required data. We also reviewed prior OIG and GAO audit reports with relevance to our audit objective.

Completeness, Timeliness, Quality, and Accuracy of Data

To determine whether the Department's FY 2017, second quarter financial and award data was complete, accurate, timely, and of quality, we obtained and reviewed the Department's second quarter data submission for Files A-F from the Broker, the SAO assurance statement, and Broker validation reports. We performed the following steps related to the data contained in Files A-F:

Accuracy[11] and Completeness[12]

Overall, we reviewed the Department's methodology for determining that all required transactions were reported and how it ensures that transactions not required to be reported are not reported. We reviewed the Department's validation and reconciliation process of Files A, B, and C. This included reviewing the Department's reconciliation of the submitted data to the SF-133, SBR, and trial balance for the second and third quarter of FY 2017. We also reviewed correspondence between OCFO and OCIO in identifying variances and resolving errors.

In addition, we performed the following steps on Files A through D2 to assess the accuracy and completeness of the files:

File A: Appropriations Account

We verified that File A contained all TAS from which funds were obligated and matched the data elements in File A, including the Agency Identifier, Main Account Code, Sub Account Code, Budget Authority Appropriated Amount, Budget Authority Availability Amount, Gross Outlay Amount by TAS, Unobligated Balance, to the Department's SF-133.

File B: Object Class and Program Activity

We verified that all object class codes in File B matched the codes defined in Section 83 of OMB Circular A-11. We verified that the program activity names and codes identified in File B matched the names and codes defined in the Program and Financing Schedule of the President's FY 2017 Budget. We matched the financial data in File B to File A using the established cross-file data validation rules developed by OMB and Treasury.

File C: Award Financial Data

For all of the transactions in File C, we reconciled the financial and non-financial data elements in File C to the Department's systems of record including FMSS, G5, and CPSS. We also reviewed the Department's programming code used to extract data from its systems to determine whether it was appropriately including all transactions that should have been included for the period.

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[11] Accuracy was defined as the percentage of transactions that are complete and agree with the systems of record or other authoritative sources.

[12] Completeness was measured in two ways, (1) all transactions that should have been recorded are recorded in the proper reporting period, and (2) as the percentage of transactions containing all applicable data elements required by the DATA Act.

Files D1 and D2: Award and Awardee Attributes for Procurement and Financial Assistance Awards

We matched the financial data in File D1 and D2 to File C using the established cross-file data validation rules developed by OMB and Treasury.

Timeliness[13]

We reviewed the date of the Department's certified data submission for all transactions contained in Files A through C to determine whether the transactions were reported within 30 days of the end of the quarter.

Quality[14]

To assess the quality of the data in Files A through D2, we reviewed the Department's internal controls over DATA Act financial and award systems. We also considered the testing performed to assess the completeness, timeliness, and accuracy of the Department's DATA Act submission.

Award Level Linkages

We reviewed the Award ID linkages between Files C and D1/D2 for all 124,966[15] transactions included in File C. To test additional linkages between File C through File F, we reviewed a statistical random sample of 385 transactions from the universe of 124,966 transactions included in File C.[16] For the transactions in File C that contained Award ID linkages in D1/D2, we determined whether the transaction in D1/D2 had an Awardee or Recipient Unique Identifier and used this data element to determine whether there was a corresponding linkage to Files E and F. If there were no linkages identified, we followed up with the Department and reviewed applicable

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[13] Timeliness was measured as the percentage of transactions reported within 30 days of quarter end.

[14] Quality was defined as a combination of utility, objectivity, and integrity. Utility refers to the usefulness of the information to the intended users. Objectivity refers to whether the disseminated information is being presented in an accurate, clear, complete, and unbiased manner. Integrity refers to the protection of information from unauthorized access or revision.

[15] We excluded from the universe the 14 transactions that were determined should not have been included in the File C reporting.

[16] The sample size is based on a 95 percent confidence level, an expected error rate of 50 percent, and a sampling precision of plus or minus 5 percent.

documentation to determine the possible cause and whether the Department's process to resolve any variances was reasonable.

We further tested the validity of award level linkages between the 385 sampled transactions from File C and Files D1-E by matching selected financial and non-financial data elements to data contained in the authoritative source systems. For any variances noted, we followed up with the Department to assess the reasonableness of its efforts to resolve the variances.

We based our conclusions regarding the Award ID linkage rate between File C and D1 or D2 using the results from the entire universe and not the sample. While we selected our sample to test additional linkages as a statistical random sample, we did not project the results because several testing procedures were applicable to smaller subsets of transactions and in some cases relied on the presence of data elements or data records that were not necessarily required for all transactions. Percentages reported are calculated from the applicable portion of the sample, and may not be representative of all transactions.

Department's Implementation and Use of Data Standards

To assess whether the Department's implementation and use of the Government-wide financial data standards was appropriate, we reviewed Files A through F and verified that all required elements were included in the files and were presented in conformance with the established standards. Further, for Files A, B, and C, we verified that each transaction contained a value in each of the applicable data elements. For Files D1 and D2, we reviewed a sample of transactions, as noted above, and reviewed whether values were included in selected data elements, to include amount of award, awardee/recipient legal entity name, legal entity address, highly compensated officer name, primary place of performance, and congressional district and address.

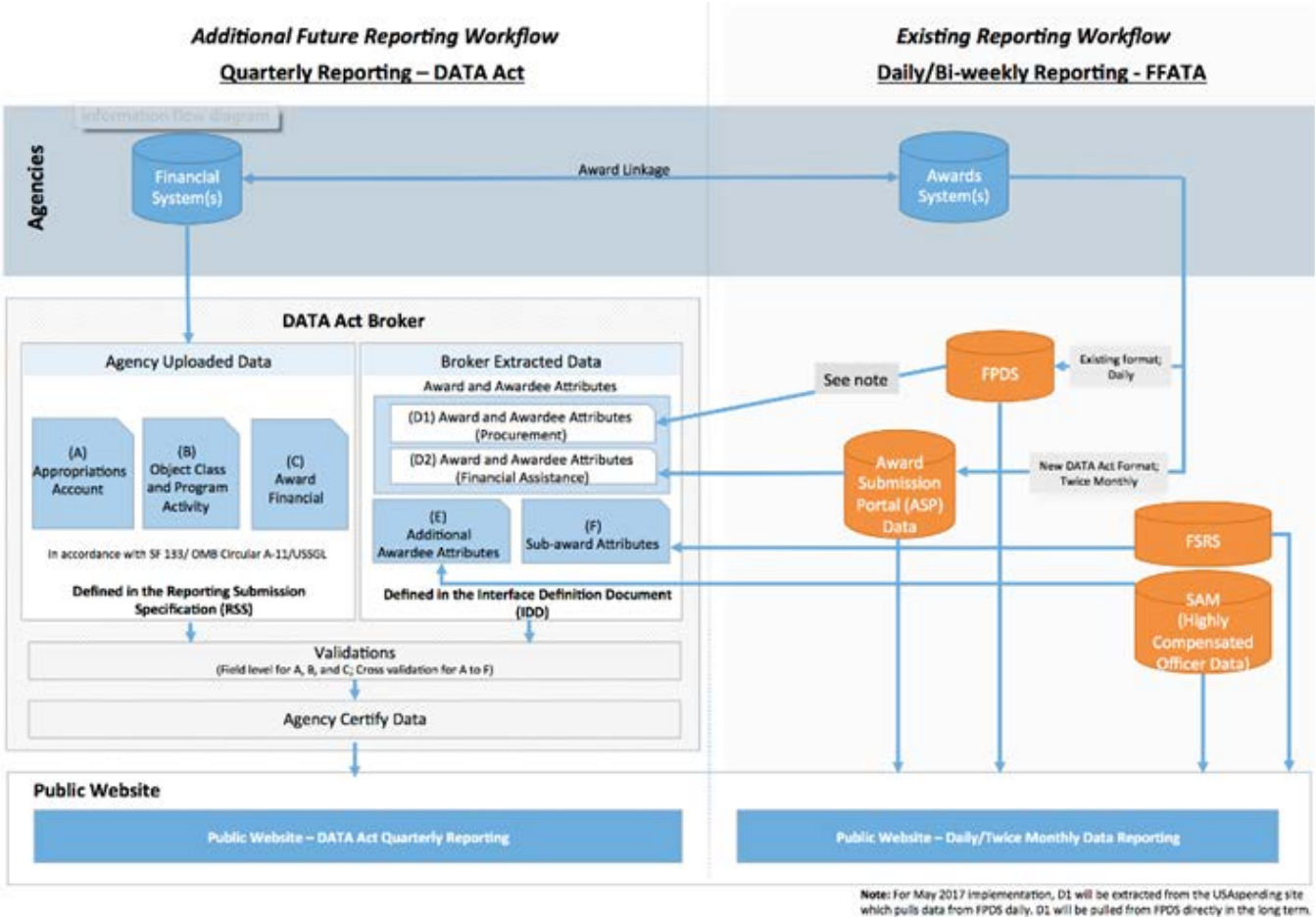
Testing Limitations for Data Reported from Files E and F

File E contains additional awardee attribute information extracted from SAM via the broker. File F contains sub-award attribute information extracted from FSRS via the broker. It is the prime awardee's responsibility to report sub-award and executive compensation information in SAM and FSRS. Data reported from these two award reporting systems are generated in the broker for display on USASpending.gov. As outlined in OMB's MPM 2016-03, the authoritative sources for the data reported in Files E and F are SAM and FSRS respectively with no additional action required of Federal agencies. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the Broker.

We conducted fieldwork at Department offices in Washington, D.C., during the period April 2017 through October 2017. We provided our audit results to Department officials during an exit conference conducted on October 12, 2017.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B. DATA Act Reporting Workflow



Appendix C. Acronyms and Abbreviations

ASP	Award Submission Portal
Broker	DATA Act Broker
CPSS	Contracting and Purchasing Support System
CIGIE	Council of the Inspectors General on Integrity and Efficiency
Department	U.S. Department of Education
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DUNS	Data Universal Number System
FABS	Financial Assistance Broker Submission
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act
FMSS	Financial Management Support System
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-Award Reporting System
GAO	Government Accountability Office
GSA	General Services Administration
FY	Fiscal Year
MPM	Management Procedures Memorandum
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer

OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
SAM	System for Award Management
SAO	Senior Accountable Official
SBR	Statement of Budgetary Resources
SF-133	Report on Budget Execution and Budgetary Resources
TAS	Treasury Account Symbol
Treasury	U.S. Department of the Treasury

Appendix D. Department Comments

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE CHIEF INFORMATION OFFICER

THE CHIEF INFORMATION OFFICER

DATE: November 3, 2017

TO: Michele Weaver-Dugan
Director, Operations Internal Audit Team

FROM: Jason K. Gray
Chief Information Officer

SUBJECT: DATA Act Audit
Control Number A19R0005

Thank you for the opportunity to review and comment on the Draft Digital Accountability and Transparency (DATA) Act Audit Report for the U.S. Department of Education, Control Number A19R0005.

The Office of the Chief Information Officer recognizes that the objective of the Data Act Audit was to review a statistically valid sample of the spending data and assess the completeness, timeliness, quality, and accuracy of the sample. As the report indicates, the Department has generally met DATA Act reporting requirements.

The Department expects that the recommendations presented in this audit will further improve the Departments implementation of DATA act requirements. The Department will address each finding and recommendation in the plan provided and as agreed upon by your office.

The following responses address each recommendation:

REPORTING METRIC DOMAIN No.1: RISK MANAGEMENT

The OIG recommends that the Senior Accountable Official to:

OIG Recommendation 1.1: Update formal procedures, including applicable programming code, to ensure a process is in place that will identify transactions that do not need to be included in DATA Act submissions.

Management Response: The Department concurs with this recommendation. The Department will update our operating procedures to state that applicable programming code be maintained to identify transactions that do not require inclusion in the DATA Act submissions. The Department will develop a Corrective Action Plan by December 1, 2017 to address the associated finding.

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

OIG Recommendation 1.2: Continue to coordinate with Treasury to ensure that all Award ID linkages are complete and data inconsistencies are appropriately addressed.

Management Response: The Department concurs with this recommendation. The Department will continue to coordinate with Treasury as has transpired on a recurring basis to date, to ensure that all Award ID linkages are complete and that data inconsistencies are appropriately addressed. The Department will develop a Corrective Action Plan by December 1, 2017 to address the associated finding.

Thank you for the opportunity to comment on this report and for your continued support of the Department and its critical mission. If you have any question regarding this matter, please contact the Chief Information Officer, Jason Gray at 202-245-6252.

cc:
Greg Robison