



OIG HIGHLIGHTS

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UNCLASSIFIED

November 2017

OFFICE OF AUDITS

Financial Management Division

Audit of the Department of State's Implementation of the Digital Accountability and Transparency Act of 2014

What Was Audited

Under the Digital Accountability and Transparency Act (DATA Act), the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) established standards for spending data to be displayed on USASpending.gov. Treasury developed an IT system—the DATA Act Broker—to facilitate the submission of agency data. Agency Senior Accountable Officials (SAO) certify seven data files (DATA Act Files A, B, C, D1, D2, E, and F) as part of quarterly submissions to Treasury's DATA Act Broker.

Acting on behalf of the Office of Inspector General (OIG), Kearney & Company, P.C. (Kearney), an external audit firm, conducted this audit to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Department of State (Department) 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.

What OIG Recommends

OIG made four recommendations to the Bureau of the Comptroller and Global Financial Services (CGFS) to improve the quality of the data submitted for publication on the USASpending.gov website. In its response to a draft of this report, CGFS concurred with each recommendation. On the basis of CGFS's response, OIG considers all four recommendations resolved pending further action. A synopsis of CGFS's responses and OIG's reply follow each recommendation in the Audit Results section of this report. CGFS's response to a draft of this report is reprinted in its entirety in Appendix D.

What Was Found

Kearney was unable to assess data related to overseas transactions submitted by the Department because the Department's SAO did not certify transactions originating at overseas posts. Of the domestic data that the SAO certified and Kearney was able to assess, Kearney found the data in DATA Act Files A and B to be accurate, complete, timely, and of an acceptable quality. During the testing of certified transactions selected using a statistically valid sample, however, Kearney identified exceptions related to accuracy, completeness, timeliness, and quality for domestic data included in DATA Act Files C, D1, and D2. Kearney concluded that 64.4 percent of the domestic transactions that were tested did not meet the quality requirements outlined by OMB. These errors were within the control of the Department.

During the audit, Treasury became aware of flaws in its Broker system that led to additional errors in the quality of the Department's data in DATA Act Files D1 and D2. If the errors attributable exclusively to the Treasury Broker system are added to the errors within the control of the Department, the overall quality error rate would increase to 83.6 percent.

Kearney found that most of the Department's identified data errors were contained in DATA Act Files D1 and D2. The errors can be attributed in part to delays by the Department in adding information to the Government-wide systems that are the sources of the data in those DATA Act Files. In addition, the Department did not perform sufficient quality assurance of the data submitted. The quality of the Department's DATA Act information must be improved to fulfill the intent of the DATA Act.

Despite the fact that the Department's SAO could not certify the overseas data and Kearney found errors in the data that was submitted, Kearney concluded, that CGFS took steps to implement and use the data element standards established by OMB and Treasury.

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