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**OIG**

**Office of Inspector General**

U.S. Department of State • Broadcasting Board of Governors

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AUD-FM-IB-18-04

Office of Audits

November 2017

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**Audit of the Broadcasting Board of  
Governors Implementation of the Digital  
Accountability and Transparency  
Act of 2014**

FINANCIAL MANAGEMENT DIVISION

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# OIG HIGHLIGHTS

AUD-FM-IB-18-04

UNCLASSIFIED  
November 2017  
OFFICE OF AUDITS  
Financial Management Division

## Audit of the Broadcasting Board of Governors 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 under the requirements of the DATA Act.

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 Broadcasting Board of Governors (BBG) for publication on USASpending.gov and (2) BBG’s implementation and use of the Government-wide financial data standards established by OMB and Treasury.

### What OIG Recommends

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

### What Was Found

Kearney found the data included in DATA Act Files A and B for the second quarter of FY 2017 (which BBG submitted to Treasury for inclusion on the USASpending.gov website) to be accurate, complete, timely, and of an acceptable quality. Conversely, Kearney identified exceptions related to the accuracy, completeness, timeliness, and quality of data included in DATA Act Files C, D1, and D2. Kearney concluded that 70.1 percent of the certified transactions selected for testing using a statistically valid sample did not meet the quality requirements outlined by OMB. These errors were within the control of BBG.

During the audit, Treasury became aware of flaws in its Broker system that led to additional errors in the quality of BBG’s data in DATA Act File D1. If the errors attributable exclusively to the Treasury Broker system are added to the errors within the control of BBG, the overall quality error rate would increase to 86.6 percent.

A number of factors contributed to the errors in accuracy, completeness, and timeliness that Kearney identified in BBG’s second quarter FY 2017 DATA Act submission. One reason was that BBG officials did not add information to Government-wide systems efficiently. Furthermore, the DATA Act File submission may not have been accurate, complete, and timely, because Office of the Chief Financial Officer officials did not perform sufficient quality assurance reviews of the data submitted. Kearney also noted that BBG did not comply with OMB’s requirements for the positioning of the SAO within the organization. The quality of the data needs to be improved to fulfill the intent of the DATA Act.

Although errors in BBG’s DATA Act submission do not necessarily indicate that BBG has not made efforts to implement and use required data elements, Kearney concluded that BBG has taken only limited steps to implement and use the data element standards established by OMB and Treasury.

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Audit of the Broadcasting Board of Governors Implementation of the Digital Accountability and Transparency Act of 2014

Office of Inspector General  
U.S. Department of State  
Washington, D.C.

Kearney & Company, P.C. (Kearney), has performed an audit of the Broadcasting Board of Governors Implementation of the Digital Accountability and Transparency Act. This performance audit, performed under Contract No. SAQMMA14A0050, was designed to meet the objective identified in the report section titled "Objectives" and further defined in Appendix A, "Purpose, Scope and Methodology," of the report.

Kearney conducted this performance audit in accordance with *Government Auditing Standards*, 2011 Revision, issued by the Comptroller General of the United States. Those standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Kearney believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Kearney appreciates the cooperation provided by personnel in the Broadcasting Board of Governors during the audit.

A handwritten signature in blue ink that reads "Kearney &amp; Company". The signature is written in a cursive, flowing style.

Kearney & Company, P.C.  
Alexandria, Virginia  
November 2, 2017

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## OBJECTIVE

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The objectives of this audit were to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Broadcasting Board of Governors (BBG) for publication on USASpending.gov and (2) BBG's 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).<sup>1</sup>

## BACKGROUND

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In FY 2016, the Federal Government made more than \$3 trillion in payments in the form of contracts, grants, loans, and other financial awards.<sup>2</sup> To improve the disclosure of entities and organizations receiving Federal funds, Congress passed the Federal Funding Accountability and Transparency Act (FFATA) in September 2006.<sup>3</sup> FFATA, as amended by the Government Funding Transparency Act of 2008,<sup>4</sup> requires OMB to ensure the existence and operation of a free, publicly accessible website containing data on Federal awards, such as contracts, loans, and grants. To comply with FFATA requirements, OMB launched the website USASpending.gov.

In May 2014, the Digital Accountability and Transparency Act of 2014<sup>5</sup> (DATA Act) was signed into law. The DATA Act amends and augments FFATA to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data. The DATA Act requires agency financial and payment information to be reported to the public using USASpending.gov in accordance with Government-wide financial data standards developed and issued by OMB and Treasury.

The DATA Act also requires each Federal agency Office of Inspector General (OIG) to assess a statistically valid sample of the spending data submitted by its agency. During each mandated audit, the auditor is required to assess the completeness, timeliness, quality, and accuracy of the data sampled; it must also assess the agency's implementation and use of Government-wide financial data standards. OIGs are required to submit a report containing the results of the

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<sup>1</sup> On the basis of the DATA Act, these are the objectives that were defined by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council, DATA Act Working Group, in the "Inspectors General Guide to Compliance Under the Data Act" (OIG-CA-17-012, February 27, 2017), published by Treasury OIG.

<sup>2</sup> According to Treasury, this amount includes total spending awarded to individuals, private contractors, and local Governments and excludes the cost of running the Government and direct services (that is, non-award spending or money that was not given out through contracts, grants, direct payments, loans, or insurance), <https://www.usaspending.gov>.

<sup>3</sup> Pub. L. No. 109-282.

<sup>4</sup> Pub. L. No. 110-252.

<sup>5</sup> Pub. L. No. 113-101.

assessment to Congress and make the report publicly available.<sup>6</sup> These reports are due in November 2017, November 2019, and November 2021.<sup>7</sup>

In February 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council, DATA Act Working Group, in consultation with the Government Accountability Office, developed the "Inspectors General Guide to Compliance Under the DATA Act"<sup>8</sup> that provides OIGs with a baseline framework for the work required by the DATA Act.<sup>9</sup> This report is the first required OIG report under the DATA Act.

## Office of Management and Budget and Treasury Guidance

To facilitate consistency and compliance across Federal agencies, OMB published several implementation criteria relating to FFATA and the DATA Act. Treasury also published related technical guidance to assist agencies in understanding the various files and data elements of the DATA Act submissions.

- OMB Memorandum M-10-06, "Open Government Directive" (December 8, 2009), provides guidance for Federal agencies on implementing the principles of transparency and open Government outlined in FFATA, publishing Government information online, and improving the quality of Government information published. To assist agencies with implementing M-10-06, OMB issued two additional memoranda that provided guidance for reporting spending data and establishing a data quality framework.<sup>10</sup>
- OMB Memorandum M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable" (May 8, 2015), "provides guidance for agencies to carry out current transparency reporting requirements pursuant to [FFATA] and new reporting requirements pursuant to the [DATA Act]. The guidance sets forth requirements for continued award-level reporting, new requirements for both agency-level and award-level reporting, and implementation of data standards for data published on USASpending.gov." OMB M-15-12 specifies that each agency should develop an implementation plan that (1) identifies a Senior Accountable Official (SAO), (2) estimates resource requirements, (3) proposes an implementation timeline, and (4) identifies foreseeable challenges and resolutions. Additionally, agencies are required to

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<sup>6</sup> See Appendix A, "Purpose, Scope, and Methodology," for details regarding the audit scope and methodology, including the use of the "Inspectors General Guide to Compliance Under the DATA Act" (Treasury OIG, OIG-CA-17-012).

<sup>7</sup> CIGIE identified and notified Congress of a date anomaly in the oversight requirements contained in the DATA Act. See "Appendix A: Purpose, Scope, and Methodology" for additional details.

<sup>8</sup> Guide OIG-CA-17-012.

<sup>9</sup> See "Appendix A: Purpose, Scope, and Methodology" for additional details of the audit's implementation of the CIGIE Guide.

<sup>10</sup> OMB, "Open Government Directive – Federal Spending Transparency" (April 6, 2010), and "Open Government Directive – Framework for the Quality of Federal Spending Information" (February 8, 2010).

use a unique award identifier to link spending data from agency financial systems to management systems.

- OMB Management Procedures Memorandum No. 2016-03, “Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information” (May 3, 2016), provides additional guidance to Federal agencies on reporting Federal appropriations account summary-level and Federal award-level data to USASpending.gov. The guidance specifies that the SAO must provide reasonable assurance that the agency’s internal controls support the validity and reliability of the data it submits to Treasury for publication on USASpending.gov, beginning with the second quarter FY 2017 data and quarterly thereafter. This memorandum also provides guidance to Federal agencies to confirm the linkage between account summary-level and Federal award-level data reported.
- OMB Memorandum M-17-04, “Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability” (November 4, 2016), provides additional guidance to Federal agencies on reporting to USASpending.gov. This guidance presents specific technical instructions on certain matters, such as awards involving fund transfers between Federal agencies and quarterly SAO assurances over DATA Act information.
- Treasury’s “DATA Act Information Model Schema V.1.1” (June 30, 2017) is the authoritative source for the terms, definitions, formats, and structures of the data elements that Federal agencies are required to report for publication on USASpending.gov. The Treasury guidance provides requirements for Federal agencies on reporting to the DATA Act Broker, an IT system developed by Treasury.
- OMB and Treasury’s “Federal Spending Transparency Data Standards” (August 31, 2015) provides the set of 57 Government-wide data standards<sup>11</sup> (referred to as “data elements”) established by OMB and Treasury in accordance with the DATA Act for Federal funds made available to or expended by Federal agencies.
- Treasury’s “DATA Act Implementation Playbook Version 2.0” (June 24, 2016) provides an 8-step plan to assist agencies in meeting DATA Act requirements. The plan lays out suggested steps that agencies can use as they develop their methodology for DATA Act implementation using the data-centric approach.<sup>12</sup>

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<sup>11</sup> The 57 standard data elements, including their definitions, are set forth in Appendix C of this report.

<sup>12</sup> According to Treasury, the data-centric approach helps to minimize system changes across all agencies to collect information and instead focuses on managing data in a more streamlined way.

### *Digital Accountability and Transparency Act Broker Submission and Certification*

Federal agencies were required to submit second quarter FY 2017 DATA Act information to Treasury by April 30, 2017.<sup>13</sup> Treasury developed an IT system, the DATA Act Broker, to facilitate this process.<sup>14</sup> Agencies are required to use the DATA Act Broker to upload three files containing data from the agencies' internal systems and records.<sup>15</sup> In addition, agencies use the DATA Act Broker to extract award<sup>16</sup> and subaward<sup>17</sup> information from existing Government-wide reporting systems<sup>18</sup> to generate four additional files. The SAO is then required to submit and certify all seven files in the DATA Act Broker. Table 1 describes the DATA Act Files.

**Table 1: DATA Act File Descriptions**

File	Description	Source	Data Elements <sup>a</sup>
A	Appropriations Account Detail: provides data related to budgetary resources that are made available and the status of those resources at the end of the reporting period. Data is reported by each Treasury Account Symbol <sup>b</sup> at a summary level, rather than the individual transaction level.	Agency	6
B	Object Class and Program Activity Detail: provides the same data as DATA Act File A with the addition of object class <sup>c</sup> and program activity. <sup>d</sup> Data is reported at a summary level.	Agency	8
C	Award Financial Data: includes transaction level data for all awards, procurement, and financial assistance (for example, grants and cooperative agreements) processed during the reporting period. Payroll actions, classified transactions, and interagency awards are excluded from DATA Act File C. All of the transactions in DATA Act File C should have records in either DATA Act File D1 or D2.	Agency	4
D1	Award and Awardee Attributes (Procurement): includes transaction level data for all procurement awards processed during the reporting period.	Federal Procurement Data System–Next Generation <sup>e</sup> (FPDS–NG)	41

<sup>13</sup> The DATA Act requires agencies to submit data no later than 2 years after the final data standards are established, which was on May 8, 2015. However, to facilitate public reporting, Treasury required the information to be reported by April 30, 2017.

<sup>14</sup> The DATA Act Broker standardizes and formats agency submitted data. The DATA Act Broker also assists reporting agencies in validating their data before submitting it to Treasury.

<sup>15</sup> OMB-M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable" (May 8, 2015).

<sup>16</sup> An "award" is a Federal contract, purchase order, grant, loan, or other financial assistance.

<sup>17</sup> A "subaward" is an award made by a prime recipient to a non-federal entity to support a project or program for which the prime recipient received Federal funds.

<sup>18</sup> The existing Government-wide systems include: the Federal Procurement Data System–Next Generation, the Award Submission Portal, the System for Award Management, and the FFATA Subaward Reporting System.

File	Description	Source	Data Elements <sup>a</sup>
D2	Award and Awardee Attributes (Financial Assistance): includes transaction level data for all financial assistance awards processed during the reporting period.	Award Submission Portal <sup>f</sup> (ASP)	38
E	Additional Awardee Attributes: includes information, such as the names and total compensation of the five most highly paid officers, for organizations that received procurement or financial assistance awards in the reporting period.	System of Award Management <sup>g</sup>	5
F	FFATA Subaward Attributes: includes information, such as the address of the subawardee and the amount subawarded, on certain organizations that received procurement or financial assistance subawards. DATA Act File F does not include any required data elements.	FFATA Subaward Reporting System <sup>h</sup>	0 <sup>i</sup>

<sup>a</sup> The required data elements may be included in multiple files. See Appendix C for a full description of the elements.

<sup>b</sup> A Treasury Account Symbol represents individual appropriation, receipt, and other funds made available to Federal agencies. The Treasury Account Symbol is used to segregate funds to ensure that they are spent in accordance with law.

<sup>c</sup> Object classifications identify the kinds of services, materials, and other resources for which payments are made. The basic object classes are prescribed by OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," August 1, 2017.

<sup>d</sup> A program activity is a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.

<sup>e</sup> FPDS-NG is operated by the General Services Administration. Agencies are required to report all contracts with an estimated value greater than \$3,000, and modifications to those contracts, into FPDS-NG.

<sup>f</sup> ASP is operated by Treasury. Agencies are required by FFATA to report financial assistance awards of \$25,000 or greater to ASP monthly.

<sup>g</sup> The System for Award Management is operated by the General Services Administration. All organizations that do business or want to do business with the Federal Government must have an active registration in the System for Award Management.

<sup>h</sup> The FFATA Subaward Reporting System is operated by the General Services Administration. If a prime contractor issues a subaward for more than \$30,000 or if a prime grantee issues a subaward for more than \$25,000, the prime contractor or grantee must report the subaward in the FFATA Subaward Reporting System.

<sup>i</sup> DATA Act File F includes only optional data elements.

**Source:** Prepared by Kearney & Company, P.C. (Kearney), on the basis of OMB and Treasury guidance and a review of BBG's certified second quarter FY 2017 submission to Treasury.

### *Senior Accountable Official Certification*

The responsibility for ensuring the accuracy of all files in the DATA Act Broker resides with the agency's SAO. Agencies are required to designate as SAO a senior official who participates in the agency's Senior Management Council.<sup>19,20</sup> Although the OMB guidance does not require that the SAO hold a specific position within the agency, the guidance states that the SAO should be

<sup>19</sup> OMB M-10-06, "Open Government Directive" (December 8, 2009).

<sup>20</sup> Agencies use a Senior Management Council to assess and monitor deficiencies in internal controls. The council is usually made up of high-ranking officials in the agency.

accountable for the quality and objectivity of internal controls over spending information. OMB guidance states that, when certifying the DATA Act submission, SAOs “must provide reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data.”<sup>21</sup>

## The Broadcasting Board of Governors Digital Accountability and Transparency Act Data Submission Process

The Office of the Chief Financial Officer (OCFO) is responsible for BBG’s implementation of DATA Act requirements. The Director of the OCFO Budget Division was selected by BBG to be the SAO.<sup>22</sup> On April 27, 2017, BBG uploaded and the SAO certified the required data files for the second quarter of FY 2017 to the DATA Act Broker. Table 2 describes the process BBG took to prepare the required DATA Act Files.

**Table 2: BBG DATA Act File Submission for Second Quarter FY 2017**

File	BBG Source	Preparation Description
A	Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) <sup>a</sup>	BBG used the Adjusted Trial Balance submitted to GTAS for March 2017 to create DATA Act File A. BBG converted the GTAS Adjusted Trial Balance data into the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, format for each Treasury Account Symbol. As of March 30, 2017, BBG had 19 separate Treasury Account Symbols.
B	Momentum <sup>b</sup>	BBG used Momentum to generate DATA Act File B. Because DATA Act File B aligns to DATA Act File A with the addition of object class and program activity, BBG made the same manual adjustments when preparing DATA Act File B as it did when preparing the March 2017 GTAS Adjusted Trial Balance.
C	Momentum	BBG used Momentum to generate DATA Act File C.
D1, D2, E, F	DATA Act Broker	BBG used the DATA Act Broker to generate DATA Act Files D1, D2, E, and F.

<sup>a</sup> GTAS is a system used by agencies to provide budget execution information and proprietary financial reporting information to Treasury. In FY 2017, agencies were required to submit their financial information to Treasury using GTAS on a monthly basis, with the exception of October 2016. BBG creates the GTAS Adjusted Trial Balance by extracting information from BBG’s core financial management system, Momentum.

<sup>b</sup> Momentum is BBG’s core financial management system.

**Source:** Prepared by Kearney from information provided by BBG during the audit.

<sup>21</sup> OMB Management Procedures Memorandum No. 2016-03, “Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information” (May 3, 2016).

<sup>22</sup> As reported in section “Additional Oversight and Guidance Is Needed for the Data Submitted” in Finding A of this report, Kearney found that BBG’s designation of the Director of the Budget Division did not comply with OMB’s requirements for the position of the SAO.

## AUDIT RESULTS

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### Finding A: Data Submitted to Treasury Was Not Always Accurate, Complete, Timely, or of Acceptable Quality

Kearney & Company, P.C. (Kearney), found the data included in DATA Act Files A and B for the second quarter of FY 2017 (which BBG submitted to Treasury for inclusion on the USASpending.gov website) to be accurate, complete, timely, and of an acceptable quality. Conversely, Kearney found the data included in DATA Act Files C, D1, and D2 were not accurate, complete, timely, or of acceptable quality. Specifically, during testing of a statistically valid sample of 291<sup>23</sup> certified transactions, Kearney found that 161 transactions (55.3 percent) included 1 or more data elements that were inaccurate, 45 transactions (15.5 percent) included 1 or more data elements that were incomplete, and 43 transactions (14.8 percent) included 1 or more data elements that were untimely. Kearney concludes that 70.1 percent of the sampled transactions did not meet the quality requirements outlined by OMB.<sup>24</sup> These errors were within the control of BBG. Table 3 shows the results of Kearney's testing for each attribute.

**Table 3: Results of Sample Testing (Errors That Were Within the Control of BBG)**

Range of Errors	Accuracy Number (%)	Completeness Number (%)	Timeliness Number (%)	Quality Number (%)
No Errors	130 (44.7)	246 (84.5)	248 (85.2)	87 (29.9)
One or More Errors*	161 (55.3)	45 (15.5)	43 (14.8)	204 (70.1)
Total	291 (100.0)	291 (100.0)	291 (100.0)	291 (100.0)

\* Multiple data elements were tested in each sampled transaction.

**Source:** Prepared by Kearney from the results of testing.

In addition, during audit fieldwork, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council, DATA Act Working Group, became aware of flaws in Treasury's DATA Act Broker system. Specifically, during audits performed by various OIGs related to DATA Act implementation, those OIGs noted errors that were attributed to issues with Treasury's Broker system. Agencies did not have control over these errors. Specifically, two data elements in DATA Act File D1 are extracted by the Broker from Federal Procurement Data System–Next Generation (FPDS–NG),<sup>25</sup> but the data extraction was not operating correctly, causing inconsistency with agency records. If the errors that related exclusively to the Broker were added to the errors that BBG could control, the total number of erroneous transactions would be 252 out of the 291 sampled, for an error rate of 86.6 percent.

<sup>23</sup> From the sample of transactions, 290 of 291 were contract transactions and 1 of 291 was a financial assistance award.

<sup>24</sup> OMB, "Open Government Directive – Federal Spending Transparency," states that quality will be determined on three key metrics: timeliness, completeness, and accuracy.

<sup>25</sup> FPDS–NG is a Government-wide computer-based system used to collect, develop, and disseminate procurement data. The Government uses the data to measure and assess the impact of Federal procurement.

Kearney has reported the errors associated with Treasury's Broker separately in this report, as recommended by CIGIE. In addition, CIGIE provided standard language to describe the nature of these errors, which is included in Appendix B of this report.

A number of factors contributed to the errors in accuracy, completeness, and timeliness that Kearney identified in BBG's second quarter FY 2017 DATA Act submission. One reason for the errors was that delays in adding information to FPDS-NG impacted the accuracy, completeness, and timeliness of the DATA Act information. In addition, BBG has not implemented procedures to ensure that grantee award data is loaded to the Award Submission Portal (ASP) as required by FFATA. Finally, the DATA Act File submission was not accurate, complete, and timely, in part, because OCFO officials did not perform sufficient quality assurance of the data submitted. Kearney also noted that BBG did not comply with OMB's requirements for the positioning of the SAO within the organization. Overall, the quality of the data should be improved to fulfill the intent of the DATA Act, which is to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data.

### *Accuracy of Data*

The CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act,"<sup>26</sup> requires auditors to assess the accuracy of DATA Act File A by comparing the Federal appropriation account summary-level data, including obligations and outlays, to the information included in OMB's Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources.<sup>27</sup> Furthermore, the CIGIE Guide requires auditors to determine whether DATA Act File A includes all Treasury Account Symbols by selecting all summary-level transactions from DATA Act File A and matching certain elements to the OMB SF 133s.

In addition, the CIGIE Guide requires auditors to assess the accuracy of DATA Act File B data by comparing the data submitted to the appropriation accounts listed in DATA Act File A to determine whether all appropriations found in the SF 133s are included. The CIGIE Guide also requires auditors to confirm that DATA Act File B includes all Treasury Account Symbols and to verify that the total amounts in DATA Act Files A and B are the same. Moreover, the CIGIE Guide requires auditors to verify that all program activity names, codes, and object classes from DATA Act File B match the codes defined in OMB Circular A-11<sup>28</sup> as well as the Program and Financing Schedule in the President's Budget. The CIGIE Guide also requires auditors to reconcile the account summary-level report based on Object Class Codes to DATA Act File B.

Using reconciliations, Kearney validated the accuracy of the six required data elements that are presented only in DATA Act Files A and B and the two additional data elements that are included

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<sup>26</sup> Guide OIG-CA-17-012.

<sup>27</sup> The SF 133 is a quarterly report that contains information on the sources of budget authority and the status of budgetary resources by individual fund or appropriation.

<sup>28</sup> OMB Circular A-11, "Preparation, Submission, and Execution of the Budget" (August 1, 2017).

in DATA Act Files A, B, and C.<sup>29</sup> For example, as required by the CIGIE Guide, Kearney matched the data elements included in DATA Act File A to the OMB SF 133s and did not note any exceptions. One required step that Kearney performed to determine if DATA Act File B was accurate was to match the information in DATA Act File A to DATA Act File B. Kearney did not note any exceptions as a result of this procedure. As required, Kearney also matched the Program Activity Codes and Object Class data elements included in DATA Act File B to OMB Circular A-11 and did not note any exceptions.

To test the accuracy of award-level transaction data in DATA Act Files C, D1, D2, and E,<sup>30</sup> as required by the CIGIE Guide, Kearney selected a statistically valid sample<sup>31</sup> of data that the SAO certified in BBG's File C submission to the DATA Act Broker for the second quarter of FY 2017.<sup>32</sup> Specifically, Kearney selected a sample of 291 transactions from BBG's 1,186 certified transactions for testing.<sup>33</sup> According to the CIGIE Guide, "accuracy is the percentage of transactions that are complete and consistent with the system(s) of record or other authoritative sources."<sup>34</sup> Among other audit tests, Kearney evaluated whether the 51 standard data elements<sup>35</sup>

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<sup>29</sup> Data elements total 57, 6 of which are only presented in Files A and B. The CIGIE Guide requires auditors to test these six data elements using File reconciliations rather than selecting a sample. Specifically, these six data elements are Appropriation Account, Budget Authority Appropriated, Other Budgetary Resources, Outlays, Program Activity, and Unobligated Balance. Two additional data elements—Object Class and Obligation Amount—are included in Files A, B, and C. Therefore, in accordance with the CIGIE Guide, Kearney tested these two data elements at the summary level through reconciliations, and at the transaction level through a sample selection.

<sup>30</sup> Although File F did not contain any required data elements, Kearney reviewed the information provided and compared it to the FFATA Subaward Reporting System for accuracy. Kearney did not identify any exceptions with File F data.

<sup>31</sup> Statistical samples are designed to be representative, with the stated confidence that the true population misstatement is measured by the confidence level.

<sup>32</sup> See "Appendix A: Purpose, Scope, and Methodology" for details on the sample selection.

<sup>33</sup> Kearney compared all transactions in the sample between the different DATA Act Files (Files C, D1, D2, E, and F) to verify that the financial and non-financial data were the same through all files. Kearney noted that all sampled transactions were included in each file, except for certain File D1 and File D2 transactions noted as missing during the completeness testing. See the "Completeness of Data" section of Finding A for details.

<sup>34</sup> Although the CIGIE Guide defines accuracy as transactions that are "complete and consistent," the detailed testing procedures outlined in the CIGIE Guide require transaction data to be present to test the accuracy of the data elements. If the data was not available, Kearney could not assess the accuracy of the missing elements. Therefore, Kearney did not count completeness errors (that is, data elements for which no data was included) as accuracy errors. The completeness of the sample transactions is addressed in the "Completeness of Data" section of Finding A. Furthermore, Kearney included completeness exceptions when assessing the overall quality of the data, as discussed in the "Quality of Data" section of Finding A.

<sup>35</sup> According to Treasury, certain data elements were required to be reported in specific Files and were optional in other files. For example, Outlay is an element required in Files A and B, but is optional in File C. Therefore, BBG did not report this data in File C. Kearney only tested optional data elements to the extent BBG populated those fields.

included in DATA Act Files C, D1, D2, and E for the sampled transactions matched original source documentation for the transaction, such as contract documents.<sup>36</sup>

Of the 291 transactions sampled, Kearney found that 161 transactions (55.3 percent) had errors with the accuracy of 1 or more data elements in DATA Act Broker Files C or D1<sup>37</sup> that were within the control of the BBG.<sup>38</sup> Kearney determined that the errors were related to 22 data elements. The remaining 29 data elements were accurate in BBG's DATA Act Broker files for the transactions tested, including the award identification number. Table 4 shows the exceptions identified during testing by data element, as well as the associated DATA Act Broker Files that contained the errors.

**Table 4: Accuracy Exceptions That Were Within the Control of BBG by Data Element**

Data Element	Number of Transactions	
	With Errors (%)*	DATA Act File(s)
Transaction Obligation Amount	3 (1.0)	DATA Act File C
Action Date	9 (3.1)	DATA Act File D1
Award Description	32 (11.0)	DATA Act File D1
Award Type	6 (2.1)	DATA Act File D1
North American Industrial Classification System Code	1 (0.3)	DATA Act File D1
North American Industrial Classification System Description	1 (0.3)	DATA Act File D1
Parent Award Identification Number	4 (1.4)	DATA Act Files C and D1
Period of Performance Current End Date	105 (36.1)	DATA Act File D1
Period of Performance Potential End Date	104 (35.7)	DATA Act File D1
Period of Performance Start Date	3 (1.0)	DATA Act File D1
Primary Place of Performance Address	70 (24.0)	DATA Act File D1
Primary Place of Performance Congressional District	70 (24.0)	DATA Act File D1
Primary Place of Performance Country Code	66 (22.7)	DATA Act File D1
Primary Place of Performance Country Name	66 (22.7)	DATA Act File D1
Amount of Award	3 (1.0)	DATA Act File D1
Federal Action Obligation	3 (1.0)	DATA Act File D1

<sup>36</sup> The CIGIE Guide gives auditors an option for testing the selected transactions. It states that the auditor may use the agency's source systems as an authoritative source for testing transaction-level data if the auditor is sufficiently satisfied with the source system's internal controls. Alternatively, auditors can confirm the transaction data by obtaining source documentation. On the basis of auditor judgment, Kearney determined that testing source system internal controls would be inefficient compared to substantively testing source documentation for the sampled transactions. In addition, Kearney noted certain data elements (such as a vendor's place of performance) for which data entry errors were unlikely to be prevented or identified by source system internal controls.

<sup>37</sup> Kearney noted that only one of the sampled transactions contained information that should have been in DATA Act File D2; however, this data was not present in the file. As a result, Kearney did not test DATA Act File D2 for accuracy. The errors related to the data missing for this transaction were captured in the "Completeness of Data," "Timeliness of Data," and "Quality of Data" sections of Finding A.

<sup>38</sup> See the "Accuracy Errors Related to Treasury's Broker" section of Finding A for additional details related to errors that were outside of the control of BBG.

Data Element	Number of Transactions	
	With Errors (%)*	DATA Act File(s)
Awardee/Recipient Legal Entity Name	26 (8.9)	DATA Act File D1
Awardee/Recipient Unique Identifier	29 (10.0)	DATA Act File D1
Legal Entity Address	25 (8.6)	DATA Act File D1
Legal Entity Congressional District	21 (7.2)	DATA Act File D1
Ultimate Parent Legal Entity Name	29 (10.0)	DATA Act File D1
Ultimate Parent Unique Identifier	29 (10.0)	DATA Act File D1

\* Kearney identified 161 unique transactions with accuracy errors in 1 or more data elements; each transaction could have errors in more than one data element.

**Source:** Prepared by Kearney from the results of testing.

### *Accuracy Errors Related to Treasury's Broker*

In addition to the exceptions shown in Table 4, Kearney identified 173 accuracy errors that were attributed to flaws in Treasury's DATA Act Broker.<sup>39</sup> Specifically, Kearney noted exceptions with the Potential Total Value of Award<sup>40</sup> data element and Indefinite Delivery Vehicle information,<sup>41</sup> which were also identified by other OIGs as errors within the Treasury's Broker. If the Broker errors were added to the errors that were within the control of BBG, the number of transactions with accuracy errors would be 209 of the 291 sampled transactions, for an accuracy error rate of 71.8 percent.<sup>42</sup> As recommended by CIGIE, Kearney is reporting this error rate separately in this report.

### *Completeness of Data*

To verify the completeness of DATA Act Files A and B, the CIGIE Guide requires auditors to determine whether (1) all required summary-level financial data was reported for the proper reporting period and (2) transactions contained all applicable data elements required by the

<sup>39</sup> During audits performed by various OIGs related to DATA Act implementation, the CIGIE Federal Audit Executive Council, DATA Act Working Group, became aware that Treasury's Broker system was not correctly collecting data for certain data elements in DATA Act Files D1 and D2. CIGIE recommended that, when possible, OIGs report those errors separately from the errors that were within the agency's control. See Appendix B for additional details.

<sup>40</sup> Kearney found that the Potential Total Value of Award data element did not always match agency source documents, which Kearney found to be related to transactions that included contract modifications that were not being included correctly in the total value. See Appendix B of this report for more details.

<sup>41</sup> As noted in Appendix B of this report, OIGs identified an issue with how the Treasury Broker system pulled data related to Indefinite Delivery Vehicle Information and CIGIE requested that OIGs include standard language related to this issue in their reports. Kearney noted that the Indefinite Delivery Vehicle information is not a data element but is one component of the Award Type data element. The Award Type data element comprises two components in File D1, Indefinite Delivery Vehicle and Award Type, which provide different data. Kearney noted the Indefinite Delivery Vehicle information was input to the same field as Award Type; therefore, when assessing the accuracy of the data element, Kearney only relied on the Award Type data component, which Kearney was able to match with agency source documents. As a result, Kearney did not calculate accuracy errors attributable to the Broker for the Indefinite Delivery Vehicle information because the Award Type data under the Award Type data element was supportable.

<sup>42</sup> See Appendix B of this report for additional information on the limitations caused in the reporting because of issues with Treasury's Broker system.

DATA Act. Kearney performed the steps required by the CIGIE Guide and found that within DATA Act Files A and B all required data elements were included and reported in the proper period.

To test the completeness of award-level transaction data in DATA Act Files C, D1, D2, and E, as required by the CIGIE Guide, Kearney determined whether all required transactions were recorded in the proper reporting period. Furthermore, as required by the CIGIE Guide, Kearney assessed the statistically valid sample of 291 transactions to determine whether the transactions contained all applicable data elements required by the DATA Act.<sup>43</sup>

Of the 291 transactions tested, Kearney found that 45 (15.5 percent) were incomplete. Specifically, 43 of 45 transactions (95.6 percent) were considered incomplete because the transactions were included in DATA Act File C but were not included in DATA Act Files D1 or D2, as required.<sup>44</sup> The remaining two transactions (4.4 percent) were missing data in one or more of three data elements required in DATA Act File D1. Table 5 shows the specific completeness errors by data element for the two transactions with at least partial data present. These errors were within the control of BBG.

**Table 5: Completeness Errors That Were Within the Control of BBG by Data Element**

Data Element	Number of Transactions	
	With Errors (%) <sup>*</sup>	DATA Act File
Period of Performance Current End Date	1 (0.3)	DATA Act File D1
Period of Performance Potential End Date	1 (0.3)	DATA Act File D1
Parent Award Identification Number	1 (0.3)	DATA Act File D1

<sup>\*</sup> Kearney identified two unique transactions with completeness errors in one or more data elements; each transaction could have errors in more than one data element.

**Source:** Prepared by Kearney from the results of testing.

### *Timeliness of Data*

To verify the timeliness of DATA Act Files A and B, the CIGIE Guide requires auditors to determine whether transactions and summary-level data were reported within 30 days after the end of the quarter. Kearney performed the steps required by the CIGIE Guide and found that all

<sup>43</sup> Kearney did not count completeness errors as accuracy errors, which would have been double counting errors. Moreover, if the data was not available, Kearney could not assess the accuracy of the missing elements.

<sup>44</sup> Kearney determined that these 43 transactions were not in DATA Act Files D1 or D2 because of timeliness issues, a subject that is addressed in the "Timeliness of Data" section of Finding A.

summary-level data included in DATA Act Files A and B was reported at the time of BBG's certified submission, which was 3 days earlier than the requirement.<sup>45</sup>

To test the timeliness of award-level transaction data in DATA Act Files C, D1, D2, and E, as required by the CIGIE Guide, Kearney determined whether the 291 transactions sampled were reported at the time BBG submitted and certified its DATA Act Files.<sup>46</sup> Kearney found that 43 of 291 transactions (14.8 percent) were not recorded in all DATA Act Files within 30 days after the end of the quarter, therefore these transactions were not timely. Specifically, 42 transactions were included in DATA Act File C in a timely manner but were not included in DATA Act File D1 at the time BBG submitted and certified its data; similarly, 1 transaction was included in DATA Act File C but not in DATA Act File D2 at the time BBG submitted and certified its data. Accordingly, these transactions were not timely. These errors were within the control of BBG.

### *Quality of Data*

To assess the quality of the summary-level financial data in DATA Act Files A and B, the CIGIE Guide suggests that auditors consider the results of the assessment of accuracy, completeness, and timeliness. On the basis of this guidance, Kearney concludes that BBG included quality data in DATA Act Files A and B. Kearney did not find any errors with its assessment of the accuracy, completeness, and timeliness of DATA Act Files A and B.

To assess the quality of the sampled award-level transaction data in DATA Act Files C, D1, D2, and E, the CIGIE Guide also suggests that auditors consider the results of the assessment of accuracy, completeness, and timeliness. Kearney found that 204<sup>47</sup> of 291 transactions had errors that were within the control of BBG with respect to the accuracy, completeness, or timeliness of one or more data elements. The combined results of accuracy, completeness, and timeliness testing show an error rate related to BBG actions of 70.1 percent.<sup>48</sup> On the basis of results of its testing, Kearney concluded that the data quality of the sampled transactions was not adequate.

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<sup>45</sup> Data was required to be submitted by April 30, 2017. BBG submitted and certified its DATA Act Files on April 27, 2017, which is less than 30 days after the end of the quarter. Because this was BBG's certified submission (to be published on USASpending.gov), Kearney determined that any information not included in the certified submission was not timely. BBG could have resubmitted and certified its data to include new data; however, Kearney verified on May 8, 2017, that the April 27, 2017, certified submission was BBG's final submission for the second quarter of FY 2017.

<sup>46</sup> BBG submitted and certified its data 3 days earlier than required by Treasury. Kearney confirmed that BBG did not resubmit or recertify data after its submission on April 27, 2017.

<sup>47</sup> Kearney counted transactions with errors only one time. For example, one transaction could have had errors in both accuracy and completeness but, in determining the quality error rate, Kearney would have counted that transaction once.

<sup>48</sup> See the "Quality Error Rate Including Treasury's Broker Errors" section of Finding A for the quality error rate Kearney calculated on the basis of errors that were both within BBG's control and outside of its control (that is, errors cause by Treasury's Broker).

### *Quality Error Rate Including Errors from Treasury's Broker*

In addition to the reported issues with the quality of the data related to errors within BBG's control, Kearney also identified errors that affect the quality of the data that were attributable to issues related exclusively to Treasury's DATA Act Broker. If those errors were added to the errors that BBG could control, the total number of erroneous transactions would be 252 out of the 291 sample, for an error rate of 86.6 percent. CIGIE has stated that, until the weaknesses identified with the Treasury Broker system are addressed, the quality of the data submitted for publication will be of limited quality. Treasury is aware of these limitations and plans to address the deficiencies.<sup>49</sup>

### *Additional Oversight and Guidance Is Needed for the Data Submitted*

A number of factors contributed to the errors in accuracy, completeness, and timeliness that Kearney identified in BBG's second quarter FY 2017 DATA Act submission. As reported, Kearney found that most of the data errors identified were contained in DATA Act File D1. For example, Kearney found that the Period of Performance Current End Date and Period of Performance Potential End Date was inaccurate for 105 (36.1 percent) and 104 (35.7 percent) transactions, respectively. Kearney also found that the data element Primary Place of Performance Address was inaccurate for 70 transactions (24.1 percent). The source for DATA Act File D1 is FPDS-NG. Although some information reported in FPDS-NG is provided automatically through an interface with Momentum, the majority (including the current and potential end dates and place of performance address) must be manually entered directly into FPDS-NG by BBG Contracting Officers. That is, the errors identified in FPDS-NG data that were incorporated into DATA Act File D1 were originally created by BBG. BBG Contracting Officer delays in adding information to FPDS-NG contributed to the exceptions identified during the audit. For example, Kearney identified 42 files that were not recorded in FPDS-NG at the time of BBG's certified DATA Act submission.

The Federal Acquisition Regulation requires that Contracting Officers complete contract information in FPDS-NG within 3 business days after the contract award.<sup>50</sup> BBG generated DATA Act File D1 for submission and certification on April 27, 2017. Because DATA Act File D1 is generated using information from FPDS-NG, if DATA Act File D1 did not include required transactional details, it is because the information was not recorded in FPDS-NG at the time BBG used the Treasury DATA Act Broker to generate the file. The information, in turn, was not recorded because BBG did not include it in FPDS-NG at the appropriate time. To improve the overall quality of the DATA Act submission, OCFO officials should work with the Office of Contracts (which is responsible for providing guidance to Contracting Officers in BBG) to improve guidance and procedures for personnel responsible for reporting data to FPDS-NG.

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<sup>49</sup> See Appendix B for additional information from CIGIE related to the Treasury DATA Act Broker for additional information.

<sup>50</sup> Federal Acquisition Regulation, Subpart 4.604, "Responsibilities."

Furthermore, BBG has not implemented procedures to ensure grantee award data is loaded to ASP as required by FFATA. Kearney only had one financial assistance transaction in its statistically valid sample, which Kearney found was missing from the DATA Act File D2.<sup>51</sup> FFATA requires that agencies report financial assistance awards over \$25,000 to ASP within 30 days.<sup>52</sup> BBG officials, however, had not been reporting any grants data to ASP prior to its efforts to implement the DATA Act.<sup>53</sup> During implementation of DATA Act requirements, OCFO officials determined that DATA Act File D2 did not contain the required information and attempted to manually compile the data to upload to ASP. Although OCFO officials uploaded data to ASP prior to using the Treasury Broker to generate DATA Act File D2, it was not sufficient, as demonstrated by the transaction in Kearney's sample that was not included in the file. Entering data manually into Government-wide systems should not be the responsibility of OCFO officials; rather, this should be the responsibility of the BBG Grants Manager who is responsible for oversight of BBG's grants.<sup>54</sup> Accordingly, to improve the overall quality of the DATA Act submission, OCFO officials should work with the Grants Manager to develop guidance and procedures for BBG personnel responsible for reporting financial assistance awards to ASP.

Finally, the DATA Act File submission was not accurate, complete, and timely, in part, because OCFO officials did not perform sufficient quality assurance reviews of the data submitted. Agencies are required to perform quality control reviews of data before submitting and certifying the data, including ensuring the appropriate links between DATA Act files and files from existing Government-wide reporting systems.<sup>55,56</sup> OCFO officials performed quality control procedures, such as reconciling DATA Act Files, but did not document their procedures or the results. In addition, OCFO officials did not document the process for compiling BBG's DATA Act Files. Although OCFO officials noted that BBG grant data had historically not been entered into ASP, officials stated they did not assess the accuracy of the data contained in DATA Act File D1,

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<sup>51</sup> Kearney found that this transaction was incomplete and untimely but was unable to assess it for accuracy. When calculating quality, Kearney only counted this transaction one time as an error.

<sup>52</sup> Pub. L. No. 109-282, §2(c)(4).

<sup>53</sup> BBG has three grantees that it funds through annual grant agreements: Radio Free Europe/Radio Liberty, Radio Free Asia, and the Middle East Broadcasting Networks. The grantees are responsible for developing the broadcast content (radio and television news programs) that is distributed by BBG. In FY 2016, the three grantees received \$270 million, approximately one third of BBG's total funding.

<sup>54</sup> In the report *Audit of Radio Free Asia Expenditures* (AUD-FM-IB-15-24, June 2015), among other recommendations, OIG included three recommendations to BBG to develop a grant monitoring structure, oversight program, and training for employees. As of the end of the second quarter of FY 2017, when BBG submitted and certified its DATA Act Files, the three OIG recommendations from June 2015 remained open.

<sup>55</sup> OMB M-17-04, Section 3, "Quarterly SAO Assurance of DATA Act Data."

<sup>56</sup> Agency files submitted for the DATA Act are interrelated and also repeat some information provided by agencies during separate submissions to Treasury and OMB for other purposes. For example, all information in DATA Act File A is reported in SF 133, Report on Budget Execution and Budgetary Resources. In addition, transactions in the DATA Act File C submission, which is prepared by the agency, should match transaction data in either DATA Act File D1 or D2, which are generated by Government-wide systems. The quality control measures are designed to determine where data quality issues may reside (that is, either with agency systems or with agency reporting to other Government-wide system).

which is where Kearney identified most of the errors.<sup>57</sup> Although DATA Act Files D1 and D2 are generated from Government-wide systems, which OCFO officials cannot directly change, the SAO must still certify the data contained in those DATA Act Files. Therefore, to improve the overall quality of BBG's DATA Act submissions, OCFO officials and an appropriately selected SAO should expand and document their quality control procedures to include reviewing the accuracy of data contained in Government-wide systems. OCFO may need to work with the Office of Contracts and the Grants Manager to develop appropriate quality control procedures.

In addition to the issues that impacted that accuracy, completeness, timeliness, and quality of the data in the DATA Act Files, Kearney also found that BBG did not comply with the OMB requirements for the positioning of the SAO within the organization.<sup>58</sup> According to OMB, the SAO should be accountable for the quality and objectivity of internal controls over spending information.<sup>59,60</sup> Although OMB does not require that the SAO hold a specific position, in its initial DATA Act guidance,<sup>61</sup> OMB required that the agency Chief Financial Officer be the point of contact for implementation if an SAO had not yet been designated. Furthermore, in the DATA Act Implementation Playbook Version 2.0,<sup>62</sup> Treasury recommends that the SAO be an executive officer with enough seniority and expertise to manage a project across multiple offices and Federal spending communities. BBG's SAO, however, was the Budget Division Director within the OCFO. The Budget Division Director addresses BBG's internal spending practices. This individual is not accountable for BBG's internal controls over spending information and therefore does not meet the requisite standards. In addition, this position is not held by an "executive officer" with responsibility for managing projects across multiple offices. Accordingly, BBG should assign the SAO responsibility in accordance with OMB guidance.

The intent of the DATA Act is to increase accountability, transparency, accessibility, quality, and standardization in Federal spending data. Kearney found that BBG submitted and certified data of adequate quality for DATA Act Files A and B and for some data elements in DATA Act Files C and D1. Because of the issues identified during the audit with the accuracy, completeness, timeliness, and quality of the data submitted and certified in DATA Act Files C, D1, and D2, however, BBG is not fulfilling the intent of the DATA Act.

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<sup>57</sup> As reported, Kearney could not assess the accuracy of DATA Act File D2 because the single financial assistance transaction in Kearney's sample was missing from DATA Act File D2.

<sup>58</sup> See the "Senior Accountable Official Certification" section in the Background of this report for further discussion.

<sup>59</sup> OMB-M-17-04, "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability" (November 4, 2016).

<sup>60</sup> Kearney notes that during its FY 2016 financial statement audit (OIG, *Independent Auditor's Report on the Broadcasting Board of Governors FY 2016 and 2015 Financial Statements* (AUD-FM-IB-17-14, November 2016)), it found that BBG was not in compliance with the Federal Managers' Financial Integrity Act (31 U.S.C. § 3512), which requires executive branch agencies to establish and maintain effective internal control.

<sup>61</sup> OMB Memorandum M-15-12, "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable" (May 8, 2015).

<sup>62</sup> Treasury's "DATA Act Implementation Playbook Version 2.0" (June 24, 2016).

**Recommendation 1:** OIG recommends that the Broadcasting Board of Governors improve guidance and procedures in the Broadcasting Administrative Manual for Contracting Officers related to entering accurate and complete procurement award transaction data into the Federal Procurement Data System–Next Generation.

**Management Response:** BBG concurred with the recommendation, stating that the “Office of Contracts will update and improve guidance and procedures in either, or both, the Broadcasting Administrative Manual or in the [Office of Contracts] Directives for Contracting Officers related to entering accurate and complete procurement award transaction data into the Federal Procurement Data System–Next Generation.”

**OIG Reply:** On the basis of BBG’s concurrence with the recommendation and planned action, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that BBG improved guidance and procedures in the Broadcasting Administrative Manual for Contracting Officers related to entering accurate and complete procurement award transaction data into FPDS–NG.

**Recommendation 2:** OIG recommends that the Broadcasting Board of Governors develop and issue guidance and procedures in the Broadcasting Administrative Manual for personnel responsible for entering accurate and complete financial assistance award transaction data into the Award Submission Portal.

**Management Response:** BBG concurred with the recommendation, stating that it will “develop and issue guidance and procedures.”

**OIG Reply:** On the basis of BBG’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that BBG developed and issued guidance and procedures in the Broadcasting Administrative Manual for personnel responsible for entering accurate and complete financial assistance award transaction data into ASP.

**Recommendation 3:** OIG recommends that the Broadcasting Board of Governors formally document quality control procedures to include (a) explaining how the Digital Accountability and Transparency Act Files are created, (b) recording reconciliation results, and (c) reviewing of the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System–Next Generation and the Award Submission Portal.

**Management Response:** BBG concurred with the recommendation, stating that it will “formally document quality control procedures.”

**OIG Reply:** On the basis of BBG’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved pending further action. This

recommendation will be closed when OIG receives and accepts documentation demonstrating that BBG formally documented its quality control procedures, including (a) explaining how DATA Act files are created, (b) recording reconciliation results, and (c) reviewing the accuracy of data in DATA Act Files D1 and D2.

**Recommendation 4:** OIG recommends that the Broadcasting Board of Governors designate a Senior Accountable Official who is an official on the Senior Management Council and is capable of providing “reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data,” as required by the Office of Management and Budget.

**Management Response:** BBG concurred with the recommendation, stating that it will appoint a senior agency official as required by OMB.

**OIG Reply:** On the basis of BBG’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that BBG designated an SAO who is an official on the Senior Management Council and is capable of providing “reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data,” as required by OMB.

## **Finding B: The Broadcasting Board of Governors Has Taken Limited Steps to Implement and Use Required Data Elements**

CIGIE’s “Inspectors General Guide to Compliance Under the DATA Act”<sup>63</sup> requires auditors to determine whether Federal agencies implemented and used the Government-wide financial data standards established by OMB and Treasury. Although the CIGIE Guide does not provide specific steps to assess whether BBG used OMB and Treasury standards, the CIGIE Guide suggests drawing conclusions about an agency’s use of the data elements when performing other tests (for example, when testing for completeness, which is described in Finding A of this report). Although errors in BBG’s DATA Act submission alone do not indicate that BBG has not made efforts to implement and use required data elements established by OMB and Treasury, on the basis of work performed for this audit and presented in Finding A, Kearney concludes that BBG has only taken limited steps to implement and use the data element standards.

The information needed by BBG to produce DATA Act Files A, B, and C resided in Momentum, which is BBG’s core financial system. However the required data elements included in DATA Act Files D1, D2, and E are populated by Government-wide systems. To ensure these data elements are implemented and used appropriately, BBG needs to improve its oversight and guidance of its DATA Act submission. Moreover, as reported in Finding A of this report, BBG’s limited efforts to implement and use the data elements required by OMB and Treasury affected the quality of

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<sup>63</sup> Guide OIG-CA-17-012.

BBG's second quarter FY 2017 DATA Act submission and must be improved to fulfill the intent of the DATA Act.

## RECOMMENDATIONS

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**Recommendation 1:** OIG recommends that the Broadcasting Board of Governors improve guidance and procedures in the Broadcasting Administrative Manual for Contracting Officers related to entering accurate and complete procurement award transaction data into the Federal Procurement Data System–Next Generation.

**Recommendation 2:** OIG recommends that the Broadcasting Board of Governors develop and issue guidance and procedures in the Broadcasting Administrative Manual for personnel responsible for entering accurate and complete financial assistance award transaction data into the Award Submission Portal.

**Recommendation 3:** OIG recommends that the Broadcasting Board of Governors formally document quality control procedures to include (a) explaining how the Digital Accountability and Transparency Act Files are created, (b) recording reconciliation results, and (c) reviewing of the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System–Next Generation and the Award Submission Portal.

**Recommendation 4:** OIG recommends that the Broadcasting Board of Governors designate a Senior Accountable Official who is an official on the Senior Management Council and is capable of providing “reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data,” as required by the Office of Management and Budget.

## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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The Digital Accountability and Transparency Act of 2014<sup>1</sup> (DATA Act) requires each Federal agency Office of Inspector General (OIG) to review and assess the spending data submitted by their agencies in compliance with the DATA Act. The objectives of this audit were to assess (1) the accuracy, completeness, timeliness, and quality of second quarter FY 2017 data submitted by the Broadcasting Board of Governors (BBG) for publication on USASpending.gov and (2) BBG's 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).<sup>2</sup> An external audit firm, Kearney & Company, P.C. (Kearney), acting on OIG's behalf, performed this audit.

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 OIG reports were due to Congress in November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the OIGs plan to provide Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with two subsequent reports due in November 2019 and November 2021. On December 22, 2015, CIGIE's chair sent a letter documenting the strategy for dealing with the OIG reporting date anomaly to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform.

Kearney conducted fieldwork for this performance audit from April through October 2017 in the Washington, DC, metropolitan area. The audit was conducted in accordance with the Government Accountability Office's *Government Auditing Standards*, 2011 revision. These standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. Kearney believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit evidence.

In February 2017, the CIGIE, Federal Audit Executive Council, DATA Act Working Group, in consultation with the Government Accountability Office, developed the "Inspectors General Guide to Compliance Under the DATA Act,"<sup>3</sup> which provides OIGs with a baseline framework for the work required by the DATA Act. The CIGIE Guide also states that audit teams "to the extent possible, should adhere to the overall methodology, objectives, and review procedures outlined in this guide. The [audit] team should not hesitate to modify this guide on the basis of specific systems and controls in place at its agency, but must use professional judgment when designing

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<sup>1</sup> Pub. L. No. 113-101.

<sup>2</sup> On the basis of the DATA Act, these are the objectives that were defined by CIGIE in the "Inspectors General Guide to Compliance Under the DATA Act" (OIG-CA-17-012, February 27, 2017).

<sup>3</sup> Treasury OIG led the Working Group. As a result, the "Inspectors General Guide to Compliance Under the DATA Act" was published with a Treasury OIG document number.

alternative review procedures.” In general, Kearney conducted this audit on the basis of procedures in the CIGIE Guide. Kearney used professional judgment to customize certain testing procedures based on BBG’s environment, systems, and data. Table A.1 shows the general methodology<sup>4</sup> that the CIGIE Guide directs audit teams to take to accomplish the DATA Act objectives, as well as the corresponding work (including deviations) that Kearney performed during its audit.

**Table A.1: Required Audit Steps**

<b>Required Audit Procedure to Accomplish Objective</b>	<b>Kearney Audit Procedure (Report Location)</b>
Obtain an understanding of regulatory criteria related to BBG’s responsibilities to report financial and award data under the DATA Act.	Kearney researched and reviewed Federal laws and regulations, as well as prior Government Accountability Office audit reports. Kearney also reviewed the U.S. Code, OMB Circulars and Memoranda, and guidance published by Treasury. (See the Background section of this report.)
Assess BBG’s systems, processes, and internal controls in place over data management under the DATA Act.	Kearney met with BBG officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding the systems used to process procurement and financial assistance awards. (See the section on “Work Related to Internal Controls” in Appendix A of this report.)
Assess the general and application controls pertaining to the financial management systems (such as grants, loans, and procurement) from which the data elements were derived and linked.	Kearney met with BBG officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding general and application controls in the systems used to process procurement and financial assistance awards. (See the section on “Work Related to Internal Controls” in Appendix A of this report.)

<sup>4</sup> In addition to the general methodology discussed in this section, the CIGIE Guide provides detailed steps to be performed during audit work. Kearney performed the required steps (or acceptable alternatives to those steps) but is not including in this section the details of all of those steps.

<b>Required Audit Procedure to Accomplish Objective</b>	<b>Kearney Audit Procedure (Report Location)</b>
Assess BBG's internal controls over the financial and award data reported to USASpending.gov pursuant to OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," July 15, 2016.	Kearney met with BBG officials to gain an understanding of the processes used to implement and use the data standards. Specifically, Kearney obtained an understanding of the processes used to create and perform quality assurance on the DATA Act submission. This included understanding the systems used to process procurement and financial assistance awards. Kearney also obtained an understanding of processes used to record procurement and financial assistance awards in BBG and other Federal systems. (See the "Work Related to Internal Controls" section in Appendix A of this report.)
Review a statistically valid sample from certified second quarter FY 2017 financial and award data submitted by BBG for publication on USASpending.gov.	Kearney selected its statistically valid sample for testing from BBG's FY 2017 certified second quarter submission for publication on USASpending.gov. (See Finding A and the section on "Detailed Sampling Methodology" in Appendix A of this report.)
Assess the completeness, timeliness, quality, and accuracy of the financial and award data sampled.	Kearney completed this testing in accordance with the CIGIE Guide. (See Finding A of this report.)
Assess BBG's implementation and use of the 57 data definition standards established by OMB and Treasury.	Six of these 57 data elements are reported at the summary level in DATA Act Files A or B, rather than the individual transaction level (DATA Act File C). As reported in Finding A of this report, Kearney performed procedures to confirm the validity and accuracy of these six account summary-level data elements. Specifically, Kearney confirmed that the data was appropriately linked between DATA Act File A and DATA Act File B and the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources. For the remaining 51 data elements, Kearney selected a sample of individual transactions included in BBG's DATA Act File C submission. (See Findings A and B of this report.)

**Source:** Prepared by Kearney on the basis of Section 130.03 of the CIGIE Guide and Kearney's audit planning and reporting procedures.

## Work Related to Internal Controls

On the basis of information obtained from BBG during preliminary audit procedures, Kearney performed a risk assessment that identified audit risks related to the audit objectives. Kearney conducted meetings to identify controls in place to address those audit risks. Specifically, Kearney obtained an understanding of the processes used to create and perform quality control

procedures on the DATA Act submission. This included understanding the systems, as well as general and application controls in the systems used to process procurement and financial assistance awards. Kearney also obtained an understanding of processes to record procurement and financial assistance awards in Momentum and other Federal systems.

During the audit, Kearney found that BBG performed limited quality control procedures to ensure the accuracy, completeness, timeliness, and quality of data submitted for the DATA Act. As described in the section on "Use of Computer Processed Data" in this appendix, Kearney independently performed reconciliations to determine whether the data was sufficient for the purposes of the sampling.

Momentum is accessed through BBG's general IT support system, which is a component of BBG's information security program. Therefore, security weaknesses noted in BBG's information security program could potentially affect Momentum as well. In the FY 2016 Federal Information Security Modernization Act of 2014<sup>5</sup> report for BBG,<sup>6</sup> OIG reported security weaknesses that had a significant effect on BBG's information security program. Because of these weaknesses, Kearney chose not to rely on or specifically test internal controls, including general and application controls. Accordingly, Kearney designed audit procedures that would enable it to obtain sufficient and appropriate evidence to make its conclusions based on the audit objectives, using authoritative sources (that is, obtaining and reviewing source documentation), such as contacts and grant agreements.

## Use of Computer-Processed Data

As discussed in the Background section of this report, the files included in BBG's DATA Act submission were generated from BBG's core financial system, Momentum, and systems used across the Federal Government. For example, agencies were required to confirm that (1) the information reported in DATA Act File A matched the March 31, 2017, SF 133, Report on Budget Execution and Budgetary Resources,<sup>7</sup> (2) DATA Act File A totals matched the totals included in DATA Act File B, (3) the transactions included in DATA Act File C were included in DATA Act Files D1 or D2, and (4) the transactions included in DATA Act Files D1 and D2 were included in DATA Act File C. Office of the Chief Financial Officer (OCFO) officials stated that they performed reconciliations between DATA Act File A and the SF 133 and between DATA Act Files A and B, and did not note any differences. Kearney also performed reconciliations of DATA Act Files A and B, and noted no differences.

OCFO officials stated that their quality control procedures identified limited differences between DATA Act File C and DATA Act Files D1 and D2; however, they did not research the cause of each variance to determine whether an issue with the DATA Act submission was systemic. In addition,

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<sup>5</sup> Federal Information Security Modernization Act of 2014, Public L. No. 113-283 (December 18, 2014).

<sup>6</sup> OIG, *Audit of the Broadcasting Board of Governors Information Security Program* (AUD-IT-IB-17-18, November 2016).

<sup>7</sup> Agencies submit the SF 133, Report on Budget Execution and Budgetary Resources, to Treasury multiple times per year to communicate budget execution information.

OCFO officials did not document the processes for creation or quality assurance of DATA Act Files A through C. Issues related to BBG's quality assurance over its DATA Act submission are reported in Finding A of this report.

Kearney independently performed the reconciliations on certified DATA Act Files C, D1, and D2. Kearney noted minor variances between DATA Act File C and DATA Act Files D1 and D2, which did not appear to indicate a systemic issue with the data submitted.<sup>8</sup> As a result, Kearney determined that DATA Act File C was sufficiently reliable for sampling.

## Detailed Sampling Methodology

In accordance with the CIGIE Guide, "Inspectors General Guide to Compliance Under the DATA Act," Kearney selected a sample of certified spending data transactions for transaction-level testing from BBG's second quarter FY 2017 DATA Act File C submission.<sup>9</sup> The population was defined as BBG's certified DATA Act File C, which included 1,186 transactions. Using IDEA sampling software, Kearney selected a random sample of 291 transactions from the 1,186 transactions included in DATA Act File C, as prescribed by the CIGIE Guide.<sup>10</sup> Kearney determined this sample size by using a 95-percent confidence level with plus or minus 5-percent sampling precision and an expected error rate of 50 percent.<sup>11</sup> With the selected sample size of 291 from the population size of 1,186, the precision was less than 5 percent (at a 95-percent confidence level). This reduction in precision allowed for greater accuracy in estimating the error rate to the population. Table A.2 provides details on the sample selected to test for accuracy, completeness, timeliness, and quality.

**Table A.2: Description of Sample Selection**

Description	Sample Details
Source of Sample	DATA Act File C
Population of Transactions	1,186
Population in Dollars	\$69,741,206
Type of Statistical Sampling Methodology Used*	Random

<sup>8</sup> As reported in Finding A, Kearney identified completeness and timeliness issues with DATA Act File D2; however, this did not affect Kearney's data reliability assessment of DATA Act File C.

<sup>9</sup> Section 430.01 of the CIGIE Guide states, "the engagement team should randomly select a statistically valid sample of certified spending data from the reportable award-level transactions included in the agency's certified data submission for File C, or Files D1 and D2 if File C is unavailable." File C was available and Kearney found it to be reliable for testing.

<sup>10</sup> IDEA is a computer program used to analyze data and, on the basis of parameters input by the user, select a sample to aid in evaluating the results of the sample.

<sup>11</sup> A confidence level is the level of certainty to which an estimate can be trusted. The degree of certainty is expressed, usually in the form of a percentage, as the chance that a true value will be included within a specified range, called a confidence interval. The sample precision is the measure of the difference between a sample estimate and the corresponding population characteristics at a specified sampling risk. The expected error is the rate of error that the auditor expects to find in the population on the basis of various considerations researched prior to testing the sample. In this case, the expected error was set by the CIGIE Guide.

Description	Sample Details
Confidence Level (percent)	95
Expected Error Rate (percent)	50
Planned Sampling Precision (margin of error)	+/-5%
Sample Size (percent)	291 (24.5)
Sample Amount (percent)	\$8,920,467 (12.8)

\* Random sampling is used to select a sample from a population in such a way that every sample item that could that could be selected has the same predetermined probability of being selected.

**Source:** Prepared by Kearney from the sampling plan.

The CIGIE Guide requires auditors to assess 57 different data elements.<sup>12</sup> Of the 57 elements, 51 were included in award-level data in DATA Act Files C, D1, D2, and E. Therefore, Kearney performed testing on the sample of 291 transactions for 51 data elements to obtain an error rate for accuracy, completeness, timeliness, and quality.<sup>13</sup> Kearney tested the remaining six data elements, included in DATA Act Files A and B, through file reconciliations. See the “Audit Results” section of this report for information on the results of the file reconciliations.

Kearney noted that the data elements Appropriations Account and Treasury Account Symbol (excluding sub-account) contain the same data. To avoid double counting the results of testing, Kearney aligned the Appropriations Account data element to DATA Act Files A and B (which was tested at the summary level) and the Treasury Account Symbol (excluding sub-account) to DATA Act File C (which was tested at the transaction level). Kearney also noted that the “Outlay” data element is required to be submitted in DATA Act Files A and B and may also be optionally submitted in DATA Act File C. BBG elected not to report this optional data element in DATA Act File C; therefore, Kearney tested this data element within the DATA Act Files A and B submissions. Similarly, Kearney noted that the “Program Activity” data element is required to be submitted in DATA Act File B and may also be optionally submitted in DATA Act File C. BBG elected not to report this optional data element in DATA Act File C; therefore, Kearney tested this data element within the DATA Act File B submission.

After testing, Kearney evaluated the sample results using RAT-STATS statistical software.<sup>14</sup> Table A.3 provides details on the results of Kearney’s testing of the 291 sampled items.

**Table A.3: Results of Sample Tests Performed at the Award-Level**

Description of Attribute Testing	Completeness	Timeliness	Accuracy	Quality
Errors Identified in the Sample	45	43	161	204
Projected Error Rate <sup>a</sup> (95-Percent Confidence Range)	15.5	14.8	55.3	70.1

<sup>12</sup> See Appendix C for a complete list of the data elements.

<sup>13</sup> OMB, “Open Government Directive – Federal Spending Transparency” (April 6, 2010), states that quality will be determined on the basis of timeliness, completeness, and accuracy.

<sup>14</sup> RAT-STATS is a statistical package created by the Department of Health and Human Services’ OIG, Office of Audit Services. RAT-STATS assists users in performing tests of random samples and evaluating the results.

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Description of Attribute Testing	Completeness	Timeliness	Accuracy	Quality
Error Projection to the Population (95-Percent Confidence Range)	183 (143–231)	175 (135–222)	656 (595–716)	831 (774–885)
Standard Error: Count (Percent) <sup>b</sup>	22 (2)	21 (2)	30 (3)	28 (2)

<sup>a</sup> Error rate is displayed as the percentage of transactions tested that were not in accordance with policy.

<sup>b</sup> Standard error is an inferential tool, which measures the precision (accuracy) of the estimated attribute (accuracy, completeness, timeliness, or quality) found in the population. Because the true population value of this attribute is unknown, the standard error is an estimate of the variability of this attribute within the population. Larger sample sizes reduce the standard error and improve the accuracy of estimating the attribute in the population using sample results.

**Source:** Prepared by Kearney on the basis of the results of testing.

## APPENDIX B: STANDARD LANGUAGE FOR REPORTING PROVIDED BY THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

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During audits performed by various Offices of the Inspectors General (OIG)s of the Digital Accountability and Transparency Act of 2014<sup>1</sup> (DATA Act) implementation, the Department of the Treasury (Treasury) became aware that its Broker system was not collecting data for certain data elements included in DATA Act Files correctly. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council DATA Act Working Group provided guidance to OIGs on how to handle these circumstances.<sup>2</sup> Kearney & Company, P.C. (Kearney), conducting the audit of the Broadcasting Board of Governors (BBG) DATA Act implementation on OIG's behalf, applied the guidance provided by CIGIE.<sup>3</sup> For example, according to CIGIE, where possible error rates that are within the agency's control should be reported separately from error rates that include exceptions attributable to Treasury's Broker. In addition, CIGIE provided standard language for OIGs to include in audit reports that describes the nature of the deficiencies with the Treasury Broker system and the effect on DATA Act Files. The language provided by CIGIE follows.

### Testing Limitations for Data Reported from DATA Act Files E and F

DATA Act File E of the DATA Act Information Model Schema contains additional awardee attribute information extracted from the System for Award Management through the DATA Act Broker. DATA Act File F contains sub-award attribute information extracted from the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System via the Broker. It is the prime awardee's responsibility to report sub-award and executive compensation information in the System for Award Management and the FFATA Subaward Reporting System. 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 No. 2016-03, "Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information" (May 3, 2016), the authoritative sources for the data reported in DATA Act Files E and F are the System for Award Management and the FFATA Subaward Reporting System, respectively, with no additional action required of Federal agencies. Other than what is described in Finding A of this report, Kearney did not assess the accuracy, completeness, timeliness, and quality of the data extracted from the System for Award Management and FFATA Subaward Reporting System through the DATA Act Broker.

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<sup>1</sup> Pub. L. No. 113-101.

<sup>2</sup> CIGIE, Federal Audit Executive Council, DATA Act Working Group, "Recommended DATA Act Considerations and Standard Reporting Language" (October 10, 2017).

<sup>3</sup> See Finding A of this report.

## Government-wide Data Reporting Issues

### *Current Total Value of Award and Potential Total Value of Award Errors for Procurement Award Modifications*

Data from the (1) Current Total Value of Award and (2) Potential Total Value of Award elements are extracted from the Federal Procurement Data System–Next Generation (FPDS–NG) via the legacy USASpending.gov site and provided to the DATA Act Broker.<sup>4,5</sup> Specifically, data for these two elements are extracted from the FPDS–NG fields base and exercised options value and base and all options value, respectively. These two fields are categorized in FPDS–NG under two columns for data entry labeled “Current” and “Total.” The “Current” column contains amounts entered into the system by the agency. The “Total” column contains cumulative amounts computed by FPDS–NG on the basis of modification amounts entered into the system by the agency. Procurement award modifications, included in the sample, reported values for these elements from FPDS–NG’s “Current” column, which displays the modification amount, rather than the “Total” column, which displays the total award value. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements were inconsistent with agency records. A no-cost modification would cause the “Total” column to display an erroneous zero balance. Procurement awards (base awards) that were not modified did not produce these same errors.

Treasury Government-wide DATA Act Program Management Office officials confirmed that they are aware that the Broker currently extracts data for these elements from the “Current” column rather than the “Total” column. A Treasury official stated that the issue will be resolved once the DATA Act Information Model Schema version 1.1 is implemented in the Broker and related historical data from USASpending.gov are transferred to Beta.USASpending.gov during fall 2017. However, because BBG does not have responsibility for how data is extracted by the Broker, Kearney did not evaluate the reasonableness of Treasury’s planned corrective action.

### *Indefinite Delivery Vehicle Type Errors*

For procurement awards included in Kearney’s sample, data from the Indefinite Delivery Vehicle Type element should be extracted from FPDS–NG and provided to the Broker. The FPDS–NG atom feed<sup>6</sup> delivers the Indefinite Delivery Vehicle Type and Contract Award Type in the same field. The Broker did not break down the data for Indefinite Delivery Vehicle Type, which resulted in inconsistencies with agency records.<sup>7</sup> Treasury’s DATA Act Program Management Office

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<sup>4</sup> OMB defines the Current Total Value of Award data element as the total amount obligated on a contract to date, including the base and exercised options. Potential Total Value of Award is defined as the total amount that could be obligated on a contract, if the base and all options are exercised.

<sup>5</sup> The legacy USASpending.gov uses FPDS Version 1.4 to extract and map that data from FPDS–NG. This was a one-time extraction for second quarter transactions.

<sup>6</sup> FPDS–NG has data reporting web services that provide access in real-time to a central data repository. FPDS–NG also provides real-time feeds of the same contractual data using atom feeds.

<sup>7</sup> As reported in Finding A of this report, because the Award Type sub-element was also provided with this data element Kearney did not calculate accuracy errors related to the Indefinite Delivery Vehicle Type data element.

officials confirmed that they are aware of this issue and have taken steps to avoid this issue in future reporting periods. However, because BBG does not have responsibility for how data is extracted by the Broker, Kearney did not evaluate the reasonableness of Treasury's planned corrective action.

## APPENDIX C: STANDARD DATA ELEMENTS

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Table C.1 shows the 57 standard data elements and descriptions established by the Office of Management and Budget (OMB) in coordination with the Department of the Treasury (Treasury), as required by the Digital Accountability and Transparency Act of 2014<sup>1</sup> (DATA Act). The table also shows the corresponding DATA Act Broker<sup>2</sup> Files that should include the data element.

**Table C.1 Digital Accountability and Transparency Act of 2014 Standard Data Elements**

<b>Data Element</b>	<b>Description</b>	<b>DATA Act File(s)</b>
Appropriations Account	The basic unit of an appropriation generally reflecting each unnumbered paragraph in an appropriation act.	DATA Act Files A and B
Budget Authority Appropriated	A provision of law (not necessarily in an appropriations act) authorizing an account to incur obligations and to make outlays for a given purpose.	DATA Act Files A and B
Object Class	Categories in a classification system that presents obligations by the items or services purchased by the Federal Government.	DATA Act Files B and C
Obligation	A legally binding agreement that will result in outlays, either immediately or in the future.	DATA Act Files A, B, and C
Other Budgetary Resources	New borrowing authority, contract authority, and spending authority from offsetting collections (or unobligated balances of budgetary resources made available in previous legislation) that is provided by Congress in an appropriations act or other legislation to incur obligations and to make outlays.	DATA Act Files A and B
Outlay	Payments made to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions).	DATA Act Files A and B
Program Activity	A specific activity or project as listed in the Program & Financing schedules of the annual budget of the U.S. Government.	DATA Act File B

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<sup>1</sup> Pub. L. No. 113-101.

<sup>2</sup> Treasury developed an IT system, the DATA Act Broker, to facilitate Federal agency submission of data for publication on USAspending.gov.

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<b>Data Element</b>	<b>Description</b>	<b>DATA Act File(s)</b>
Treasury Account Symbol (excluding sub-account)	The account identification codes assigned by Treasury to individual appropriation, receipt, or other fund accounts.	DATA Act File C
Unobligated Balance	The cumulative amount of budget authority that remains available for obligation under law in unexpired accounts at a point in time.	DATA Act Files A and B
Action Date	The date the action being reported was issued or signed by the Government or a binding agreement was reached.	DATA Act Files D1 and D2
Action Type	Description (and corresponding code) that provides information on any changes made to the Federal prime award.	DATA Act Files D1 and D2
Award Description	A brief description of the purpose of the award.	DATA Act Files D1 and D2
Award Identification Number	The unique identifier of the specific award being reported, that is, Federal Award Identification Number for financial assistance and Procurement Instrument Identifier for procurement.	DATA Act Files C, D1, and D2
Award Modification/Amendment Number	The identifier of an action being reported that indicates the specific subsequent change to the initial award.	DATA Act Files D1 and D2
Award Type	Description (and corresponding code) that provides information to distinguish the type of contract, grant, or loan and provides the user with more granularity into the method of delivery of the outcomes.	DATA Act File D1
Business Types	A collection of indicators for different types of recipients based on socioeconomic status and organization or business areas.	DATA Act File D2
Catalog of Federal Domestic Assistance Number	The number assigned to a Federal area of work in the Catalog of Federal Domestic Assistance.	DATA Act File D2
Catalog of Federal Domestic Assistance Title	The title of the area of work under which the Federal award was funded in the Catalog of Federal Domestic Assistance.	DATA Act File D2
North American Industrial Classification System Code	The identifier that represents the North American Industrial Classification System Code assigned to the solicitation and resulting award identifying the industry in which the contract requirements are normally performed.	DATA Act File D1

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<b>Data Element</b>	<b>Description</b>	<b>DATA Act File(s)</b>
North American Industrial Classification System Description	The title associated with the North American Industrial Classification System Code.	DATA Act File D1
Ordering Period End Date	The date on which no additional orders referring to the award may be placed.	DATA Act File D1
Parent Award Identification Number	The identifier of the procurement award under which the specific award is issued, such as a Federal Supply Schedule.	DATA Act File D1
Period of Performance Current End Date	The current date on which the awardee effort is completed or the award is otherwise ended.	DATA Act Files D1 and D2
Period of Performance Potential End Date	The date on which the awardee effort is completed or the award is otherwise ended.	DATA Act File D1
Period of Performance Start Date	The date on which the awardee effort begins or the award is otherwise effective.	DATA Act Files D1 and D2
Primary Place of Performance Address	The address where the predominant performance of the award will be accomplished. Components include: Address Lines 1 and 2, City, County, State Code, and ZIP+4 or Postal Code.	DATA Act Files D1 and D2
Primary Place of Performance Congressional District	U.S. congressional district where the predominant performance of the award will be accomplished, derived from the Primary Place of Performance Address.	DATA Act Files D1 and D2
Primary Place of Performance Country Code	Country code where the predominant performance of the award will be accomplished.	DATA Act Files D1 and D2
Primary Place of Performance Country Name	Name of the country represented by the country code where the predominant performance of the award will be accomplished.	DATA Act Files D1 and D2
Record Type	Code indicating whether an action is an individual transaction or aggregated.	DATA Act File D2
Amount of Award	The cumulative amount obligated by the Federal Government for an award, calculated by USASpending.gov or a successor site.	DATA Act Files D1 and D2
Current Total Value of Award	For procurement, the total amount obligated to date on a contract, including the base and exercised options.	DATA Act File D1
Federal Action Obligation	Amount of Federal Government's obligation, de-obligation, or liability, in dollars, for an award transaction.	DATA Act Files D1 and D2

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<b>Data Element</b>	<b>Description</b>	<b>DATA Act File(s)</b>
Non-Federal Funding Amount	For financial assistance, the amount of the award funded by non-Federal source(s), in dollars.	DATA Act File D2
Potential Total Value of Award	For procurement, the total amount that could be obligated on a contract, if the base and all options are exercised.	DATA Act File D1
Awardee/Recipient Legal Entity Name	The name of the awardee or recipient that relates to the unique identifier.	DATA Act Files D1 and D2
Awardee/Recipient Unique Identifier	The unique identification number for an awardee or recipient, most commonly the 9-digit number assigned by Dun & Bradstreet referred to as the "DUNS® number."	DATA Act Files D1, D2, E, and F
Highly Compensated Officer Name	The first name, middle initial, and last name of an individual identified as one of the five most highly compensated "Executives."	DATA Act File E
Highly Compensated Officer Total Compensation	The cash and noncash dollar value earned by one of the five most highly compensated "Executives" during the awardee's preceding fiscal year.	DATA Act File E
Legal Entity Address	The awardee or recipient's legal business address where the office represented by the Unique Entity Identifier (as registered in the System for Award Management) is located.	DATA Act Files D1 and D2
Legal Entity Congressional District	The congressional district in which the awardee or recipient is located. This is not a required data element when outside the United States.	DATA Act Files D1 and D2
Legal Entity Country Code	Code for the country where the awardee or recipient is located, using the ISO 3166-1 Alpha-3 GENC Profile and not the codes listed for those territories and possessions of the United States already identified as "states."	DATA Act Files D1 and D2
Legal Entity Country Name	The name corresponding to the Country Code.	DATA Act Files D1 and D2
Ultimate Parent Legal Entity Name	The name of the ultimate parent of the awardee or recipient. Currently, the name is from the global parent DUNS® number.	DATA Act Files D1, D2, and E
Ultimate Parent Unique Identifier	The unique identification number for the ultimate parent of an awardee or recipient.	DATA Act Files D1, D2, and E

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<b>Data Element</b>	<b>Description</b>	<b>DATA Act File(s)</b>
Awarding Agency Code	A department or establishment of the Government as indicated in the Treasury Account Fund Symbol.	DATA Act Files D1 and D2
Awarding Agency Name	The name associated with a department or establishment of the Government as indicated in the Treasury Account Fund Symbol.	DATA Act Files D1 and D2
Awarding Office Code	Identifier of the level n organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Office Name	Name of the level n organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Sub Tier Agency Code	Identifier of the level 2 organization that awarded, executed, or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Awarding Sub Tier Agency Name	Name of the level 2 organization that awarded, executed or is otherwise responsible for the transaction.	DATA Act Files D1 and D2
Funding Agency Code	The 3-digit Common Government-wide Accounting Classification agency code (agency identifier published in OMB A-11) of the department or establishment of the Government that provided the preponderance of the funds for an award or individual transactions related to an award.	DATA Act Files D1 and D2
Funding Agency Name	Name of the department or establishment of the Government that provided the preponderance of the funds for an award or individual transactions related to an award.	DATA Act Files D1 and D2
Funding Office Code	Identifier of the level n organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Office Name	Name of the level n organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Sub Tier Agency Code	Identifier of the level 2 organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2
Funding Sub Tier Agency Name	Name of the level 2 organization that provided the preponderance of the funds obligated by this transaction.	DATA Act Files D1 and D2

**Source:** Prepared by Kearney & Company, P.C. according to OMB and Treasury's "Federal Spending Transparency Data Standards" (August 31, 2015), <https://fedspendingtransparency.github.io/data-elements>.

## APPENDIX D: BROADCASTING BOARD OF GOVERNORS RESPONSE

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**Broadcasting Board of Governors**  
United States of America

November 2, 2017

Mr. Norman P. Brown  
Assistant Inspector General for Audits  
Office of Inspector General  
U.S. Department of State

Dear Mr. Brown:

Thank you for the opportunity to comment on the draft report, *Audit of the Broadcasting Board of Governors Implementation of the Digital Accountability and Transparency Act of 2014*.

The BBG concurs with the four recommendations issued in the report, as detailed in the enclosure to this letter.

Please do not hesitate to contact us should you have any questions.

Sincerely,

A handwritten signature in black ink, which appears to read "John F. Lansing", is written over the typed name and title.

John F. Lansing  
Chief Executive Officer and Director

Enclosure: As Stated



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**BBG Response to OIG's Draft Report  
Audit of BBG Implementation of the Digital Accountability and  
Transparency Act of 2014  
AUD-FM-IB-18-XX**

**November 2, 2017**

**Recommendation 1:** OIG recommends that the Broadcasting Board of Governors improve guidance and procedures in the Broadcasting Administrative Manual for Contracting Officers related to entering accurate and complete procurement award transaction data into the Federal Procurement Data System – Next Generation.

**BBG Response (November 2, 2017):** The BBG concurs. The Office of Contracts (CON) will update and improve guidance and procedures in either, or both, the Broadcasting Administrative Manual (BAM) or in CON Directives for Contracting Officers related to entering accurate and complete procurement award transaction data into the Federal Procurement Data System – Next Generation. CON will work closely with the appropriate Agency officials to ensure that any updated guidance and procedures comply with appropriate law and regulation and, once approved and released, are implemented by Agency Contracting Officers.

**Recommendation 2:** OIG recommends that the Broadcasting Board of Governors develop and issue guidance and procedures in the Broadcasting Administrative Manual for personnel responsible for entering accurate and complete financial assistance award transaction data into the Award Submission Portal.

**BBG Response (November 2, 2017):** BBG concurs. The BBG will develop and issue guidance and procedures in the BAM for personnel responsible for entering accurate and complete financial assistance award transaction data into the Award Submission Portal.

**Recommendation 3:** OIG recommends that the Broadcasting Board of Governors formally document quality control procedures to include (a) explaining how the Digital Accountability and Transparency Act Files are created, (b) recording reconciliation results, and (c) reviewing of the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System – Next Generation and the Award Submission Portal.

**BBG Response (November 2, 2017):** BBG concurs. The BBG will formally document quality control procedures to include information a) explaining how the Digital Accountability and Transparency Act (DATA) Files are created, (b) recording reconciliation results, and (c) reviewing the accuracy of data contained in DATA Act Files D1 and D2 generated from the Federal Procurement Data System – Next Generation and the Award Submission Portal.

**Recommendation 4:** OIG recommends that the Broadcasting Board of Governors designate a Senior Accountable Official who is an official on the Senior Management Council and is capable of providing “reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data,” as required by the Office of Management and Budget.

**BBG Response (November 2, 2017):** BBG concurs. The BBG will appoint a senior agency official to the Senior Management Council, or similar governance structure in the Agency, who is capable of providing “reasonable assurance that their internal controls support the reliability and validity of the Agency account-level and award-level data” as required by the Office of Management and Budget.

## ABBREVIATIONS

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ASP	Award Submission Portal
BBG	Broadcasting Board of Governors
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
FFATA	Federal Funding Accountability and Transparency Act
FPDS–NG	Federal Procurement Data System – Next Generation
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
OCFO	Office of the Chief Financial Officer
OMB	Office of Management and Budget
SAO	Senior Accountable Official
SF	Standard Form

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