

UNCLASSIFIED



Office of Inspector General
United States Department of State

AUD-FM-IB-20-10

Office of Audits

December 2019

Audit of the U.S. Agency for Global Media's FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014

FINANCIAL MANAGEMENT DIVISION

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
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What Was Audited

In accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act), the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) established standards for agencies' spending data to be displayed on USASpending.gov. As part of quarterly submissions, Agency Senior Accountable Officials (SAO) certify data files (DATA Act Files A, B, C, D1, D2).

Acting on behalf of the Office of Inspector General (OIG), Williams, Adley & Company-DC, LLP (Williams Adley), an external audit firm, conducted this audit to assess (1) the completeness, accuracy, timeliness, and quality of the first quarter of FY 2019 financial and award data submitted by the U.S. Agency for Global Media (USAGM) for publication on USASpending.gov and (2) USAGM's implementation and use of the Government-wide financial data standards established by OMB and Treasury.

What OIG Recommends

On the basis of this audit, OIG made four recommendations that are intended to improve USAGM's DATA Act submissions. In addition, three recommendations from the FY 2017 DATA Act report remain open, pending further action, as described in Appendix F. On the basis of USAGM's response to a draft of this report, OIG considers two recommendations closed and two recommendations resolved, pending further action. A synopsis of USAGM's response to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. USAGM's response to a draft of this report is reprinted in its entirety in Appendix G.

December 2019

OFFICE OF AUDITS

FINANCIAL MANAGEMENT DIVISION

Audit of the U.S. Agency for Global Media's FY 2019 Implementation of the Digital Accountability and Transparency Act of 2019

What Was Found

Williams Adley determined that USAGM's DATA Act Files A and C were both complete at the summary level for the first quarter of FY 2019. The submission of DATA Act File B was not complete because of invalid Budget Object Classification codes, program activity names, and program activity codes. In addition, Williams Adley found that the DATA Act Files were submitted timely based on the timeline established by Treasury. Furthermore, Williams Adley reconciled DATA Act Files A and B and did not identify any significant variances between DATA Act Files A, B, and C. However, during the testing of certified transactions, Williams Adley identified exceptions related to completeness, accuracy, and timeliness.

Notwithstanding the identified deficiencies, on the basis of DATA Act audit guidance, Williams Adley considered the quality of USAGM's submission of data to be "higher" (the best quality level) because the highest projected error rate was less than 20 percent.

Williams Adley identified several control issues that led to the deficiencies. For example, according to USAGM officials, one reason that records at the transaction level were not entered in a timely manner was that Contract Specialists were able to bypass certain steps in the accounting system. Another reason for the delay was that Contract Specialists were not always aware of contract awards that required approval in the accounting system. Furthermore, Williams Adley concluded that USAGM's Data Quality Plan (DQP) needs improvement to become more useful. For example, USAGM's current DQP does not provide the information necessary to identify risks or address them. Although USAGM data were considered to be in the best category, more attention would allow for additional improvements to data quality.

Williams Adley evaluated USAGM's implementation and use of the Government-wide financial data standards for spending information. Although Williams Adley concluded that USAGM fully implemented financial data standards, it was not fully using those data standards as defined by OMB and Treasury.



Audit of the U.S. Agency for Global Media's Implementation of the Digital Accountability and Transparency Act of 2014

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

Williams, Adley & Company-DC, LLP (Williams Adley) has conducted a performance audit of the U.S. Agency for Global Media's (USAGM) Compliance with the Digital Accountability and Transparency Act of 2014 for 1st Quarter of Fiscal Year 2019.

The objectives of the audit were to assess (1) the completeness, accuracy, timeliness, and quality of the first quarter of FY 2019 financial and award data submitted by USAGM for publication on USASpending.gov and (2) USAGM's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and the Department of the Treasury. This report is for the purpose of concluding on the audit objectives described above. Accordingly, this report is not suitable for any other purpose.

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

Williams Adley appreciates the cooperation provided by USAGM personnel during the audit.

Sincerely,

A handwritten signature in black ink that reads "Williams Adley & Company-DC, LLP".

Washington, District of Columbia
October 31, 2019

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CONTENTS

OBJECTIVE	1
BACKGROUND	1
Office of Management and Budget and Treasury Guidance	1
Digital Accountability and Transparency Act Broker Submission and Certification	3
Senior Accountable Official Certification	4
Data Quality Plan.....	5
USAGM’s Digital Accountability and Transparency Act Data Submission Process.....	5
AUDIT RESULTS	7
Finding A: Data Submitted to Treasury Were Not Always Complete, Accurate, or Timely but Were Considered of “Higher” Quality.....	7
Finding B: USAGM Implemented Government-Wide Data Standards but the Use of Some Data Standards Needs Improvement	17
RECOMMENDATIONS	19
APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY.....	20
Prior Audit Report	22
Work Related to Internal Controls	22
Use of Computer-Processed Data	23
Detailed Sampling Methodology.....	24
APPENDIX B: TESTING RESULTS FOR EACH DATA ELEMENT.....	26
Results for Testing Data Elements – Procurement Instrument Identifiers.....	26
Results for Testing Data Elements – Federal Award Identification Numbers.....	27
APPENDIX C: ANALYSIS OF THE ACCURACY OF DOLLAR VALUE-RELATED DATA ELEMENTS	30
APPENDIX D: ANALYSIS OF ERRORS IN DATA ELEMENTS NOT ATTRIBUTABLE TO USAGM	31
APPENDIX E: ANOMALY LETTER.....	32
APPENDIX F: FY 2017 DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT REPORT STATUS OF RECOMMENDATIONS	34
APPENDIX G: U.S. AGENCY FOR GLOBAL MEDIA RESPONSE	35
ABBREVIATIONS	38

OBJECTIVE

The objectives of the audit were to assess (1) the completeness, accuracy, timeliness, and quality of the first quarter FY 2019 financial and award data submitted by the U.S. Agency for Global Media (USAGM) for publication on USASpending.gov and (2) USAGM'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).¹

BACKGROUND

The Digital Accountability and Transparency Act of 2014² (DATA Act) was signed into law in May 2014. The DATA Act expanded on Federal Funding Accountability and Transparency Act of 2006 (FFATA)³ requirements.⁴ For example, the DATA Act expanded the information to be posted by agencies on a public website. The DATA Act also required the establishment of data standards, including common data elements for financial and payment information required to be reported by agencies.

To improve accountability, the DATA Act also requires each Federal agency's Office of Inspector General (OIG) to assess a statistically valid sample of the spending data submitted by its agency. During each mandated audit, OIGs are required to assess the completeness, accuracy, timeliness, and quality of the data sampled. Each OIG must also assess its agency's implementation and use of data standards.⁵ OIGs are required to submit to Congress and make publicly available a report of the results of each assessment. These reports are due in November 2017, November 2019, and November 2021.⁶

Office of Management and Budget and Treasury Guidance

To provide guidance to agencies regarding their implementation of FFATA and the DATA Act, Treasury, OMB, and other stakeholders issued various guidance and criteria.⁷

- OMB Memorandum M-10-06, "Open Government Directive" (December 8, 2009), directed agencies to take steps toward the goal of creating a more open Government,

¹ This is the objective that is included in the guide issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council (FAEC), "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act" (CIGIE Guide), February 14, 2019, 2.

² Pub. L. No. 113-101.

³ Pub. L. No. 109-282, September 26, 2006.

⁴ FFATA required 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.

⁵ See Appendix A for details regarding the audit scope and methodology, including the use of the CIGIE Guide.

⁶ CIGIE identified and notified Congress of a date anomaly in the oversight requirements contained in the DATA Act. See Appendices A and E for additional details.

⁷ This list is not all inclusive. The CIGIE Guide, Appendix 2, at 39, provides additional criteria.

such as publishing Government information online, improving the quality of Government information, and creating a culture of open government.

- OMB Memorandum, “Open Government Directive – Federal Spending Transparency” (April 6, 2010), established deadlines for agencies to initiate sub-award reporting, included new requirements for agencies to maintain metrics on the quality and completeness of Federal spending data provided, and announced the enhancement of the technological capabilities of the USASpending.gov website.
- 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 Senior Accountable Official (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 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 for their DATA Act submissions. This guidance provides specific instructions related to matters such as reporting intergovernmental transfers and SAO assurances over quarterly submissions to USASpending.gov.
- OMB Circular A-123, “Management’s Responsibility for Enterprise Risk Management and Internal Control,” Appendix A, “Management of Reporting and Data Integrity Risk” (June 6, 2018), requires DATA Act reporting agencies to develop and maintain a Data Quality Plan (DQP) that considers the incremental risks to data quality in Federal spending data and any controls that would manage such risks. The guidance also states that quarterly certifications of data submitted by the SAO should be based on the consideration of the DQP and the internal controls documented in the Plan.
- Treasury’s “DATA Act Information Model Schema (DAIMS) Version 1.3.1” (February 8, 2019), 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. DAIMS included 57 data definition standards (referred to as data elements), such as appropriation and program activity, and required Federal agencies to report financial data in accordance with these standards for DATA Act compliance. The guidance also requires agencies to use the DATA Act Broker, an IT system developed by Treasury, for DATA Act reporting.

Digital Accountability and Transparency Act Broker Submission and Certification

Federal agencies were required to submit first quarter FY 2019 DATA Act information to Treasury by March 20, 2019.⁸ Treasury developed an IT system, the DATA Act Broker, to facilitate this process.⁹ Agencies use the DATA Act Broker to extract award¹⁰ and subaward¹¹ information from existing Government-wide reporting systems¹² to generate certain files. The SAO is then required to submit and certify files in the DATA Act Broker. USAGM’s DATA Act submission is composed of DATA Act Files created by the agency and files created by the external Broker, as detailed in Tables 1 and 2.

Table 1: Agency-Created DATA Act Files

File	Content	Description	Required Data Elements ^a
A	Appropriations Account	Includes the appropriations account summary-level information.	6
B	Object Class and Program Activity	Includes the fiscal year cumulative Federal Budget Object Classification ^b and program activity ^c summary-level information.	6
C	Award-Level Financial Data	Includes record-level financial information for all awards, procurement, and financial assistance (i.e., grants and cooperative agreements) processed during the reporting period.	5

^a Required data elements may be included in more than one file.

^b Budget Object Classification codes identify the items or services purchased. The basic Budget Object Classification codes are prescribed by OMB Circular A-11, “Preparation, Submission, and Execution of the Budget,” June 28, 2019, § 83.1.

^c A program activity is a specific activity or project as listed in the program and financing schedules of the annual budget of the U.S. Government.

Source: Prepared by Williams, Adley & Company-DC, LLP, on the basis of OMB and Treasury guidance and a review of USAGM’s first quarter FY 2019 submission to Treasury.

Table 2: DATA Act Broker-Generated DATA Act Files

File	Content	Description	Required Data Elements ^a
D1	Award and Awardee Attribute – Procurement	Contains the award and awardee attributes information for procurement activities sourced from the Federal Procurement Data System – Next Generation (FPDS-NG). ^b	40

⁸ Because of the partial lapse in appropriations during FY 2019, Treasury modified the DATA Act reporting window, extending the due date from February 15, 2019, to March 20, 2019.

⁹ The DATA Act Broker was designed to standardize and format agency-submitted data. The DATA Act Broker was also designed to assist reporting agencies to validate their data before submitting them to Treasury.

¹⁰ An award is a Federal contract, purchase order, grant, loan, or other financial assistance.

¹¹ 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.

¹² The existing Government-wide systems include the Federal Procurement Data System – Next Generation, the System for Award Management, and the FFATA Subaward Reporting System.

File	Content	Description	Required Data Elements ^a
D2	Award and Awardee Attribute – Financial Assistance	Contains the award and awardee attributes information for financial assistance awards submitted to the Financial Assistance Broker. ^c	40
E	Additional Awardee Attributes	Contains additional awardee attributes information sourced from System for Award Management. ^d	5
F	Sub-award Attributes	Contains the sub-award activities as recorded by the prime awardee from the FFATA Subaward Reporting System. ^e	0 ^f

^a Required data elements may be included in more than one file.

^b FPDS-NG is the repository for Federal procurement data that is operated by the General Services Administration. Agencies are required to report all contracts with an estimated value greater than \$10,000, and modifications to those contracts, into FPDS-NG.

^c The Financial Assistance Broker replaced the Award Submission Portal as the primary submission tool for financial assistance awards for DATA Act reporting.

^d 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 for this system.

^e The FFATA Subaward Reporting System is operated by the General Services Administration. The FFATA Subaward Reporting System is a reporting tool that Federal prime awardees (i.e., prime contractors and prime grants recipients) use to capture and report subaward and executive compensation data regarding their first-tier subawards.

^f DATA Act File F contains only optional data elements.

Source: Prepared by Williams Adley on the basis of OMB and Treasury guidance and a review of USAGM's first quarter FY 2019 DATA Act submission to Treasury.

Senior Accountable Official Certification

The SAO is responsible and accountable for an agency's data submission. SAOs are "high-level senior officials" who are "accountable for the quality and objectivity of, and internal controls over, the Federal spending information publicly disseminated through such public venues as USASpending.gov or other similar websites."¹³ The SAO is required to certify quarterly DATA Act submissions.¹⁴ OMB guidance states that when certifying a 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."¹⁵ According to OMB, SAOs are required to assure that the alignment among DATA Act Files A–F, as well as the data in each DATA Act File submitted for display on USASpending.gov, are valid and reliable.¹⁶

¹³ OMB Memorandum M-10-06, "Open Government Directive," December 8, 2009, 3–4.

¹⁴ 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, 6.

¹⁵ Ibid.

¹⁶ OMB Memorandum M-17-04, "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability," November 4, 2016, 5.

Data Quality Plan

Starting in FY 2019, OMB required agencies to develop and maintain a DQP to identify a control structure tailored to address identified risks.¹⁷ OMB guidance states that the DQP should cover significant milestones and major decisions pertaining to:

- Organizational structure and key processes providing internal controls for spending reporting.
- Management’s responsibility to supply quality data to meet the reporting objectives for the DATA Act.
- Testing plans and identification of high-risk data, including specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act, and confirmation that these data are linked through the inclusion of the award identifier in the agency’s financial system.
- Actions taken to manage identified risks.¹⁸

Quarterly certifications by the SAO should be “based on the considerations of the agency’s [DQP] and the internal controls documented in their plan as well as other existing controls that may be in place, in the annual assurance statement process.”¹⁹

USAGM’s Digital Accountability and Transparency Act Data Submission Process

USAGM’s Office of the Chief Financial Officer is responsible for USAGM’s implementation of DATA Act requirements. The SAO is the Chief Financial Officer, who delegated certification authority to the Budget Director. On March 1, 2019, USAGM certified its DATA Act submission for the first quarter of FY 2019.

Various officials within the Office of the Chief Financial Officer²⁰ are responsible for the development of DATA Act Files A, B, and C and the reconciliation of the data between DATA Act files. Officials within the Office of the Chief Financial Officer work closely with Contracting Officers (Office of Management Services, Contract Division) to ensure the accuracy of financial information reported within FPDS-NG. USAGM uses Oracle Standard Query Language Developer²¹ to extract information from its accounting system²² to prepare DATA Act Files B and C. Table 3 describes USAGM’s file development process for the required DATA Act files.

¹⁷ OMB Circular A-123, “Management’s Responsibility for Enterprise Risk Management and Internal Control,” Appendix A, “Management of Reporting and Data Integrity Risk,” June 6, 2018, 4.

¹⁸ Ibid, at 4–5.

¹⁹ Ibid, at 4.

²⁰ This includes the Budget Team, the Financial Reporting Team, and the Financial Systems Team.

²¹ Oracle Standard Query Language Developer is a tool that is used to work with databases more easily. The tool assists users to query data for reporting purposes or insert and delete data more efficiently.

²² The name of USAGM’s accounting system is Momentum.

Table 3: USAGM DATA Act File Development Process for First Quarter FY 2019

File Name	Contents	File Development Process	Source
A	Appropriations Account	The Financial Reporting Team uses data from the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) ^a to develop DATA Act File A. The Financial Reporting Team reconciles File A to Standard Form (SF) 133, <i>Report on Budget Execution</i> . ^b The Financial Reporting Team also performs a reconciliation of DATA Act Files A and B to ensure all Treasury Account Symbols ^c are included and that amounts agree.	GTAS
B	Program Activity and Object Class	The Financial Systems Team generates DATA Act File B directly from Momentum, using Oracle Structured Query Language Developer. The Financial Reporting Team reconciles DATA Act Files A and B.	Momentum
C	Award-Level Financial	The Financial Systems Team generates DATA Act File C from Momentum, using Oracle Structured Query Language Developer. The Financial Systems Team reconciles DATA Act File C and DATA Act Files D1 and D2.	Momentum
D1	Award and Awardee Attribute – Procurement Awards	The DATA Act Broker generates DATA Act File D1 on the basis of procurement data reported to FPDS-NG by USAGM’s Contracting Officers. If issues are identified during reconciliations, the Financial Systems Team researches and corrects the errors.	FPDS-NG
D2	Award and Awardee Attribute – Financial Assistance Awards	The DATA Act Broker generates DATA Act File D2 on the basis of financial assistance data reported using the Financial Assistance Broker. The Budget Team enters data into the Financial Assistance Broker quarterly. If issues are identified during reconciliations, the Financial Systems Team researches and corrects the errors.	Financial Assistance Broker
E	Additional Awardee Attributes	The DATA Act Broker generates DATA Act File E using data submitted to the System for Award Management. ^d DATA Act File E is populated with data from awardees.	System for Award Management

File Name	Contents	File Development Process	Source
F	Sub-award Attributes	The DATA Act Broker generates DATA Act File F from the FFATA Subaward Reporting System. DATA Act File F is populated with data from awardees.	FFATA Subaward Reporting System

^a GTAS is a system used by Federal agencies for reporting trial balance information to Treasury. USAGM creates the Adjusted Trial Balance by extracting information from its core financial management system, Momentum, and making manual adjustments to the data.

^b The SF 133, *Report on Budget Execution*, provides information on the budgetary resources appropriated to an agency. The report lists the sources of budget authority and the current status of budgetary resources by appropriation.

^c A Treasury Account Symbol is an identification code assigned by Treasury to an individual appropriation, receipt, or other fund account.

^d The System for Award Management is a Federal registration site for entities who want to do business with the Federal Government.

Source: Prepared by Williams Adley using information provided by the USAGM.

AUDIT RESULTS

Finding A: Data Submitted to Treasury Were Not Always Complete, Accurate, or Timely but Were Considered of “Higher” Quality

Williams Adley determined that USAGM’s DATA Act submission of both DATA Act File A and File C was complete at the summary level for the first quarter of FY 2019. However, Williams Adley also found that the submission of DATA Act File B was not complete due to invalid Budget Object Classification codes, program activity names, and program activity codes. In addition, Williams Adley found that the DATA Act Files were submitted timely based on the timeline established by Treasury. Furthermore, Williams Adley reconciled DATA Act Files A and B and determined that those Files were accurate and did not identify any significant variances between DATA Act Files A, B, and C. However, during the testing of certified transactions selected using a statistical sample, Williams Adley identified exceptions related to completeness, accuracy, and timeliness. Specifically, of 240 records tested, Williams Adley determined USAGM had a projected error rate²³ related to completeness of 10.09 percent, related to accuracy of 11.41 percent,²⁴ and related to timeliness of 19.56 percent.

Notwithstanding the identified deficiencies, on the basis of DATA Act audit guidance, Williams Adley considered the quality of USAGM’s submission of data to be “higher” because the highest projected error rate was less than 20 percent.²⁵

Williams Adley identified several control issues that led to the deficiencies. For example, according to USAGM officials, one reason that records were not entered into FPDS-NG in a timely manner was that Contract Specialists were able to bypass certain steps in Momentum,

²³ Based on a 95-percent confidence level, the projected error rate for each category is ± 5 percent. Additional details on the sample are included in Appendix A.

²⁴ As described in Appendix D, Williams Adley identified errors that were not attributable to USAGM. Some data are not entered into the Treasury DATA Act Broker by USAGM. These exceptions are included in the calculation of the error rates.

²⁵ The ranges included in the CIGIE Guide (§ 580.07, at 23) are 0 percent to 20 percent – Higher; 21 percent to 40 percent – Moderate; and 41 percent or above – Lower. The CIGIE Guide does not provide a definition for the terms used to describe the ranges. However, the term “higher” represents the range that has the fewest errors.

including the step that automatically creates an FPDS-NG entry, when entering contract actions. Another reason for the delay was that Contract Specialists were not always aware of contract awards that required approval in Momentum. Because the creation of a record in FPDS-NG is dependent upon approval in Momentum, delays in creating a Momentum contract award entry would result in delays creating a record in FPDS-NG. Furthermore, Williams Adley concluded that USAGM's DQP needs improvement to become more useful. For example, USAGM's current DQP does not provide the information necessary to identify risks or address them. Although USAGM data were considered to be in the best category, more attention would allow for additional improvements to data quality.

Submission of DATA Act Files

Williams Adley evaluated USAGM's DATA Act submission to Treasury's DATA Act Broker at the summary level for the first quarter of FY 2019. To be considered a complete submission, Williams Adley evaluated Files A, B, and C to determine that all transactions and events that should have been recorded were recorded in the proper period. Williams Adley determined that the submission of DATA Act Files A and C was complete. However, Williams Adley determined that the submission of DATA Act File B was not complete because of invalid Budget Object Classification codes, program activity names, and program activity codes. In addition, Williams Adley found that DATA Act Files A and B were submitted in a timely manner, according to the timeline established by Treasury. To assess the completeness of the submission, Williams Adley evaluated DATA Act Files A, B, and C to determine that all transactions and events that should have been recorded were recorded in the proper period.

Williams Adley reconciled DATA Act Files A and B to determine if they were accurate. Through audit test work, Williams Adley determined that DATA Act Files A and B were accurate. Additionally, Williams Adley reconciled the linkages between DATA Act Files A, B, and C to determine if the linkages were valid and to identify any significant variances between the files. Williams Adley's test work did not identify any significant variances between DATA Act Files A, B, and C.

Completeness of the DATA Act Submission

The CIGIE Guide states that auditors should determine whether the DATA Act submission was complete.²⁶ Specifically, the Guide states that auditors should determine the completeness of DATA Act Files A and B at the summary level.²⁷ Williams Adley tested the completeness of the DATA Act submission at the summary level for DATA Act Files A and B by performing the tests required by the CIGIE Guide,²⁸ including testing linkages between the different files and comparing data to the President's Budget.

²⁶ The CIGIE Guide defines the completeness of an agency's submission as "transactions and events that should have been recorded are recorded in the proper period," § 510.01, at 11.

²⁷ "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 540, at 13–14.

²⁸ *Ibid.*

As part of the testing, the CIGIE Guide states that the auditor should “verify that all object class codes²⁹ from File B match the codes defined in Section 83 of OMB Circular A-11.”^{30,31} Williams Adley found that USAGM’s first quarter of FY 2019 DATA Act File B contained 47 lines that did not have a valid Budget Object Classification code. Specifically, these 47 lines were identified as Budget Object Classification code 0, which is not a code established in OMB Circular A-11. Of these 47 lines, 30 included activity related to obligations or payments to liquidate an obligation. Therefore, these 30 lines should have been assigned a valid Budget Object Classification code.³²

According to USAGM officials, at the end of each quarter, they calculate an estimated amount of accounts payable.³³ At the end of each quarter, because of system limitations, USAGM officials prepare journal vouchers³⁴ to record the estimated amounts of accounts payable in the financial system. Because the journal vouchers are recorded at a high level (i.e., they are not recorded for an individual contract or grant), the journal vouchers may not contain the information needed to identify a Budget Object Classification code for the transaction. The estimates reflect multiple transactions that are aggregated into one amount. Therefore, portions of the estimated transactions may relate to different Budget Object Classification codes (only one code can be recorded for each transaction). In addition, USAGM officials stated that some of the exceptions identified related to journal vouchers established before FY 2017, which is when DATA Act requirements took effect.³⁵ Although Williams Adley understands the circumstances that led to the use of Budget Object Classification code 0, guidance does not allow the use of unsupported Budget Object Classification codes. Furthermore, USAGM does not have policies or procedures available that related to the use of these codes.

The CIGIE Guide states that the auditor should “verify that all program activity names and codes from File B match the names and codes defined in the Detailed Budget Estimates by Agency Appendix in the President’s Budget (Program and Financing Schedule).”³⁶ Williams Adley found that USAGM’s first quarter FY 2019 DATA Act File B contained 38 lines that did not have a valid program activity name and program activity code. Specifically, these 38 lines were identified as program activity name “Unknown” and program activity code “0000.” Of these 38 lines, 27

²⁹ Budget Object Classification codes identify the items or services purchased. For example, code 310 is used for the acquisition of equipment and code 410 is used for grants, subsidies, and contributions.

³⁰ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 540.04, at 14.

³¹ OMB, Circular A-11, “Preparation, Submission, and Execution of the Budget,” June 2019.

³² In the absence of obligations or payments to liquidate an obligation for a Treasury Account Symbol, agencies would include zeroes for the financial-related information in DATA Act File B. In these instances, Williams Adley did not consider the use of Budget Object Classification code 0 to be an exception.

³³ Accounts payable represent the amount of goods and services received but unpaid at the end of a reporting period (i.e., an amount is owed to another organization). Agencies are allowed to estimate the value of accounts payable for financial reporting.

³⁴ Journal vouchers are authorizations to adjust financial accounts directly and are outside the normal automated transaction posting process.

³⁵ Of the 30 exceptions, 15 related to funds that were available before FY 2017.

³⁶ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 540.04, at 14.

included activity related to obligations or payments to liquidate an obligation. Therefore, these 27 lines should have been assigned a valid program activity name and code.³⁷

According to USAGM officials, incorrect program activity information was used because the tool that the Financial Systems Team uses to generate DATA Act File B from the financial system did not always assign program activity names and codes to specific transactions. Therefore, certain transactions were assigned a default program activity name and code. USAGM officials stated that USAGM has corrected the method used by the tool to generate DATA Act File B. Therefore, no recommendations related to this issue are included in this report.

On the basis of procedures performed, Williams Adley determined that DATA Act File A was complete at the summary level but DATA Act File B was not complete.

As part of assessing the completeness of the overall DATA Act submission, the CIGIE Guide also states that auditors should determine the completeness of DATA Act File C at the summary level.³⁸ Williams Adley tested the completeness of DATA Act File C as required by the CIGIE Guide,³⁹ including assessing linkages. On the basis of procedures performed, Williams Adley determined that the Data Act submission of DATA Act File C was substantially complete and determined that DATA Act File C was sufficient for sample selection.

Recommendation 1: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for recording estimated accounts payable amounts using a Budget Object Classification code that complies with guidance in Office of Management and Budget Circular A-11, § 83.

Management Response: USAGM concurred with the recommendation, stating that it is attempting to get approval to use an allowable Budget Object Classification code “when recording estimated accounts payable accruals.”

OIG Reply: On the basis of USAGM’s concurrence with the recommendation and planned actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that USAGM developed and implemented a methodology for recording estimated accounts payable amounts using a Budget Object Classification code that complies with OMB guidance.

³⁷ Similar to the situation identified with Budget Object Classification codes, in the absence of obligations or payments to liquidate an obligation for a Treasury Account Symbol, agencies would include zeroes for the financial-related information in DATA Act File B. In these instances, Williams Adley did not consider the use of program activity name “Unknown” and program activity code “0000” to be an exception.

³⁸ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 550, at 15–16.

³⁹ Ibid.

Timeliness of the DATA Act Submission

The CIGIE Guide⁴⁰ states that auditors should determine whether the DATA Act submission was timely.⁴¹ Specifically, the Guide states that auditors should verify that the certification date complies with the deadline established by Treasury.⁴² Treasury required that agencies' submissions for the first quarter of FY 2019 be certified by March 20, 2019.⁴³ Williams Adley determined that USAGM's SAO certified the DATA Act Files for the first quarter of FY 2019 on March, 1, 2019, which complied with the deadline established by Treasury. On the basis of procedures performed, Williams Adley determined that USAGM's submission and certification of DATA Act information for the first quarter of FY 2019 was timely.

Record-Level DATA Act Data

Using guidance in the CIGIE Guide,⁴⁴ Williams Adley selected a sample⁴⁵ of 240 records and tested 57 data elements for completeness, accuracy, and timeliness. By applying the CIGIE guidance for projecting the error rate to the universe,⁴⁶ Williams Adley determined USAGM had a projected error rate⁴⁷ related to completeness of 10.09 percent, related to accuracy of 11.41 percent, and related to timeliness of 19.56 percent. On the basis of the CIGIE Guide,⁴⁸ because the highest of the three projected error rates that Williams Adley determined is between 0 and 20 percent, Williams Adley concluded that the quality of the USAGM's submission of data is considered "higher."

Completeness of the Record-Level Data

Completeness of a data element is defined by the CIGIE Guide as a situation in which a data element was reported in the appropriate DATA Act Files (A through D2) if that data element was required to be reported.⁴⁹ To assess the completeness of USAGM's DATA Act information for the first quarter of FY 2019 at the record level, Williams Adley determined if each data element for the 240 records selected for testing was required and, if so, determined if the data

⁴⁰ Ibid., § 530, at 13.

⁴¹ The CIGIE Guide defines the timeliness of an agency's submission to be "when the submission by the Agency to the DATA Act Broker is in accordance with the reporting schedule established" by Treasury, § 510.02, at 11.

⁴² "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 530, at 13.

⁴³ According to Treasury's "Schedule for the DATA Act Reporting," normally, a DATA Act submission is required to be certified within 45 days of the end of the quarter. However, because of the partial lapse in appropriations that occurred during FY 2019, the due date for the certification of USAGM's submission for the first quarter of FY 2019 was extended to March 20, 2019.

⁴⁴ "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 560, at 16.

⁴⁵ See Appendix A for additional details on the sample.

⁴⁶ Because each record had numerous data elements, to determine the projected error rate, Williams Adley first calculated an average error rate for each record on the basis of the number of required data elements for that record and the number of exceptions. Williams Adley then averaged the error rates of all the items that were tested, for each category—completeness, accuracy, and timeliness—to calculate the overall, projected error rates for each category.

⁴⁷ Based on a 95-percent confidence level, the projected error rate for each is ± 5 percent. Additional details on the sample are included in Appendix A.

⁴⁸ "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 580.07, at 23.

⁴⁹ Ibid., § 510.03, at 11.

element was included in the appropriate DATA Act Files. Appendix B provides details on the results of testing for each data element.

Of the 240 records tested, 28 should have included information in DATA Act File D1 for the first quarter of FY 2019 but did not. These transactions were recorded in FPDS-NG in an untimely manner and, therefore, the data were not included in DATA Act File D1 for the correct quarter. The CIGIE DATA Act guide states that all applicable data elements for records that are missing from DATA Act File D1 be considered exceptions for completeness, accuracy, and timeliness.⁵⁰ Additional information on the records that were entered in an untimely manner is included in the “Timeliness of the Record Level Data” section of this report.⁵¹

By applying the CIGIE guidance for projecting the error rate to the universe,⁵² Williams Adley determined USAGM had a projected error rate related to completeness at the record level of 10.09 percent.⁵³

Accuracy of the Record-Level Data

Accuracy of a data element is defined by the CIGIE Guide as a situation in which “amounts and other data relating to recorded transactions have been recorded” in accordance with Treasury guidance (including DAIMS) and “agree with the authoritative source records.”⁵⁴ To assess the accuracy of USAGM’s DATA Act information for the first quarter of FY 2019 at the record level, for the 240 items selected for testing, Williams Adley determined whether information included in DATA Act Files C, D1, and D2 were recorded in accordance with Treasury guidance (including DAIMS). Williams Adley also determined whether DATA Act File C data matched data from USAGM’s financial systems and were supported by documentation. Furthermore, for DATA Act Files D1 and D2, Williams Adley determined whether the selected items were supported by documentation. Appendix B provides details on the results of testing for each data element.

Of the 240 records tested, 28 should have included information in DATA Act File D1 for the first quarter of FY 2019 but did not. These transactions were recorded in FPDS-NG in an untimely manner and, therefore, the data were not included in DATA Act File D1 for the correct quarter. The CIGIE DATA Act guide states that all applicable data elements for records that are missing from DATA Act File D1 be considered exceptions for completeness, accuracy, and timeliness.⁵⁵ Additional information on the records that were entered in an untimely manner is included in

⁵⁰ Ibid., § 580.05, at 19–20.

⁵¹ Williams Adley did not identify any exceptions related to completeness during its testing of selected record-level transactions from DATA Act Files C and D2.

⁵² Because each record had numerous data elements, to determine the projected error rate for completeness, Williams Adley first determined the percentage of data elements that were incomplete for each sample. For example, if 1 sample record had 40 required data elements, and 4 of them were incomplete, that record had an error rate of 10 percent. Williams Adley then averaged the error rates of all the items that were tested to arrive at a final, projected error rate for completeness.

⁵³ Based on a 95-percent confidence level, the projected error rate for the completeness of the data elements is between 5.09 and 15.09 percent. Additional details on the sample are included in Appendix A.

⁵⁴ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 510.04, at 11.

⁵⁵ Ibid., § 580.05, at 19–20.

the “Timeliness of the Record Level Data” section of this report. Other exceptions identified by Williams Adley related to data entry errors.⁵⁶

By applying the CIGIE guidance for projecting the error rate to the universe of transactions,⁵⁷ Williams Adley determined USAGM had a projected error rate related to accuracy of 11.41 percent.^{58,59}

According to the CIGIE Guide, “there are instances where errors are caused by an entity other than the agency. For example, if Treasury’s DATA Act Broker extracts the wrong field from a source system, this is not an error that was attributable to the agency. The agency may have recorded the correct information in the source system, but due to an external third party extracting the incorrect field, the data [were] not reported accurately.”⁶⁰ The CIGIE Guide states that auditors should include errors attributable to a third party in the statistical sampling results.⁶¹ However, the CIGIE Guide suggests providing supplemental information for users on the third-party errors.⁶²

As described in more detail in Appendix D, Williams Adley identified errors that were not attributable to USAGM. Some of these errors related to the Ultimate Parent Unique Identifier, Ultimate Parent Legal Name, Awardee/Recipient Legal Entity Name, and Legal Entity Address data elements. These data are extracted from the System for Award Management by FPDS-NG and then uploaded to the DATA Act Broker. The data are not entered into the system by USAGM. In fact, the information in the System for Award Management is entered and maintained by the vendors that receive the award. Williams Adley also noted an error related to the Legal Entity Congressional District data element. Specifically, the System for Award Management did not reflect the accurate Congressional District for one ZIP code.⁶³ Other errors identified by Williams Adley related to the Current Total Value of Award and Potential Total Value of Award data elements. These data are extracted from FPDS-NG by the DATA Act Broker. The exceptions identified seemed to relate to transactions that included contract modifications that were not included correctly in FPDS-NG.

⁵⁶ Williams Adley did not identify a significant error rate related to accuracy during its testing of selected record-level transactions from DATA Act Files C and D2.

⁵⁷ Similar to completeness, because each record had numerous data elements, to determine the projected error rate for accuracy, Williams Adley first determined the percentage of inaccurate data elements for each sample. Williams Adley then averaged the error rates of all the items that were tested to arrive at a final projected error rate for accuracy.

⁵⁸ Based on a 95-percent confidence level, the projected error rate for the accuracy of the data elements is between 5.41 and 16.41 percent. Additional details on the sample are included in Appendix A.

⁵⁹ The testing required by the CIGIE Guide focuses on the quality of the data overall and focuses specifically on the accuracy of dollar value-related data elements. However, the CIGIE Guide encourages auditors to provide supplemental reporting that highlights the accuracy of dollar value-related data elements. This information is provided in Appendix C.

⁶⁰ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 590.06, at 25.

⁶¹ Ibid.

⁶² Ibid.

⁶³ The System for Award Management erroneously listed ZIP code 19103 as being included in Pennsylvania’s 2nd Congressional District, when it is in the 3rd Congressional District.

Timeliness of the Record-Level Data

Timeliness of a data element is defined by the CIGIE Guide as a situation in which “for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements.”⁶⁴ To assess the timeliness of USAGM’s DATA Act information for the first quarter of FY 2019 at the record level, Williams Adley determined if each data element for the 240 records selected for testing was required and, if so, determined whether financial data elements in DATA Act File C were reported within the quarter in which they occurred, whether procurement award data elements in DATA Act File D1 were reported in FPDS-NG within 3 business days after contract award, and whether financial assistance award data elements in DATA Act File D2 were reported no later than 30 days after award. Appendix B provides details on the results of testing for each data element. During its testing, Williams Adley noted that most exceptions were the result of awards that were not entered into FPDS-NG in a timely manner.⁶⁵

Of the 240 records tested, Williams Adley found that 54 items⁶⁶ were not recorded in FPDS-NG in a timely manner. Of these 54 items, 26 were recorded in FPDS-NG more than 3 business days after the contract was awarded but before the end of the first quarter of FY 2019. Therefore, the items were included in DATA Act File D1. The remaining 28 items were not recorded in FPDS-NG until after the first quarter of FY 2019. Therefore, the records were not included in DATA Act File D1 for that quarter.

According to USAGM officials, one reason that the records were not entered into FPDS-NG in a timely manner was that Contract Specialists were able to bypass certain steps in Momentum, including the step that automatically created an FPDS-NG entry, when entering contract actions. When a Contract Specialist creates a contract award in Momentum, a contract action is also created in FPDS-NG unless the Contract Specialist selects the “continue processing” option in Momentum. This option effectively creates the award in Momentum but not in FPDS-NG. This option was designed to be used in very limited circumstances. However, the use of the “continue processing” option is not restricted and does not require special approval. Furthermore, no notification or reporting is created about the use of the “continue processing” option.

Another reason for the delay was that Contract Specialists were not always aware of contract awards that required approval in Momentum. Normally, a Contract Specialist creates a contract award in Momentum and then provides a copy of the contract file to the Contracting Officer,

⁶⁴ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 510.05, at 11.

⁶⁵ Williams Adley identified minor exceptions related to timeliness for one data element during its testing of selected record-level transactions from DATA Act File C. In addition, Williams Adley did not identify any exceptions related to timeliness during its testing of a selected record-level transaction from DATA Act File D2.

⁶⁶ CIGIE DATA Act Guide, § 580.04, states that for a record to be timely in DATA Act File C, it must be reported within the quarter in which it occurred. To be timely in DATA Act File D1, it must be reported in FPDS-NG within 3 business days after the contract award. Therefore, these records were timely for DATA Act File C but untimely for DATA Act File D1.

who “Submits” the award in Momentum. Once submitted, the award goes back to the Contract Specialist for “Final Approval.” After “Final Approval,” an FPDS-NG record is automatically created (unless certain steps are bypassed). However, Momentum does not automatically notify Contract Specialists about items awaiting approval. Therefore, Contract Specialists may not approve the contract awards in Momentum in a timely manner. Because the creation of a record in FPDS-NG is dependent upon approval in Momentum, delays in creating a Momentum contract award entry would result in delays creating a record in FPDS-NG.

By applying the CIGIE guidance for projecting the error rate to the universe,⁶⁷ Williams Adley determined USAGM had a projected error rate related to timeliness of 19.56 percent.⁶⁸

Recommendation 2: OIG recommends that the U.S. Agency for Global Media develop and implement internal controls that limit the use of the “continue processing” option in Momentum. At a minimum, the use should either be limited to certain high-level user roles in the system or a secondary approval should be required when this option is used.

Management Response: USAGM concurred with the recommendation, stating that it has implemented an alternative control. USAGM attempted to implement the recommended action. However, the financial system service provider was not able to make the suggested change to the system. Therefore, USAGM reconfigured its workflow “to eliminate the timeliness issue.” USAGM stated that it believed that “this process represents sufficient internal controls to address the underlying issue of timely FPDS-NG reporting, especially considering that implementing the recommended limitation is not possible.”

OIG Reply: On the basis of USAGM’s actions to modify its workflow to eliminate the issue with reporting transactions in FPDS-NG in a timely manner (i.e., an acceptable alternative to the recommendation), OIG considers this recommendation closed and no further action is required.

Recommendation 3: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for Contract Specialists to be notified when contract actions are pending approval in Momentum.

Management Response: USAGM concurred with the recommendation, stating that it has “reconfigured the workflow to address the timeliness of the FPDS issues.” Under the new workflow, after certain actions are taken in the accounting system, a notification is sent to the official responsible for the next step in the workflow.

⁶⁷ Similar to the other attributes, because each record had numerous data elements, to determine the projected error rate for timeliness, Williams Adley first determined the percentage of data elements that were untimely for each sample. Williams Adley then averaged the error rates of all the items that were tested to arrive at a final projected error rate for timeliness.

⁶⁸ Based on a 95-percent confidence level, the projected error rate for the timeliness of the data elements is between 14.56 and 24.56 percent. Additional details on the sample are included in Appendix A.

OIG Reply: On the basis of USAGM’s actions to implement a methodology for Contract Specialists to be notified when contract actions are pending approval in Momentum, OIG considers this recommendation closed and no further action is required.

Quality of the Record-Level Data

Quality of the data selected for testing is defined by the CIGIE Guide as data that are “complete, accurate, and reported on a timely basis.”⁶⁹ Williams Adley used the results of its testing of a statistical sample of 240 transactions to provide a range of results for quality. In accordance with the CIGIE Guide, Williams Adley used the highest of the three error rates, specifically the 19.56 percent error rate for timeliness, to determine the overall factor of quality.⁷⁰ According to the CIGIE Guide,⁷¹ because the highest of the three projected error rates that Williams Adley determined is between 0 and 20 percent, the quality of USAGM’s submission of data is considered to be “higher.”

USAGM Data Quality Plan Needs Improvement

One reason for the deficiencies identified during the audit was that USAGM did not have a DQP in place during the first quarter of FY 2019. According to OMB, the purpose of the DQP is to identify a control structure tailored to address identified risks.⁷² The OMB guidance also states that agencies “must develop and maintain a [DQP] that considers the incremental risks to data quality in Federal spending data and any controls that would manage such risks.”⁷³ In addition, the OMB guidance states that “quarterly certifications of data submitted by agency [SAOs] should be based on the consideration of the [DQP] and the internal controls documented in their plan as well as other existing controls that may be in place.”⁷⁴ If USAGM had a DQP in place before the DATA Act submission for the first quarter of FY 2019, USAGM officials may have identified and corrected some of the deficiencies identified during the audit.

USAGM issued a DQP during the audit. Although the DQP was not available until after USAGM’s DATA Act submission for the first quarter of FY 2019, Williams Adley reviewed USAGM’s DQP to determine whether it met all the requirements included in OMB Circular A-123, Appendix A, and also to determine whether the DQP was sufficient to assist USAGM to identify and remediate internal control deficiencies related to DATA Act reporting. Williams Adley concluded that USAGM’s DQP needs improvement to become more useful.

⁶⁹ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 510.06, at 11.

⁷⁰ The CIGIE Guide (§ 580.07, at 23) requires auditors to determine the quality of the data elements “using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy, and timeliness. The highest of the three error rates should be used to determine the factor of quality.”

⁷¹ The ranges included in the CIGIE Guide (§ 580.07, at 23) are 0 percent to 20 percent – Higher; 21 percent to 40 percent – Moderate; and 41 percent or above – Lower. The CIGIE Guide does not provide a definition for the terms used to classify the ranges. However, the term higher represents the range that has the fewest errors.

⁷² OMB Circular A-123, Appendix A, at 4.

⁷³ Ibid.

⁷⁴ Ibid.

For example, USAGM’s current DQP does not provide the information necessary to identify risks or address them. Specifically, Williams Adley found that USAGM’s DQP does not contain sufficient information on a testing plan for DATA Act data, including which data elements are being tested and how often USAGM will test the data. Furthermore, the DQP does not provide sufficient details of the results of the testing that was performed. Although USAGM provided overall error rates for completeness, accuracy, and timeliness, the DQP does not provide details of errors identified for individual data elements. The DQP also does not identify data elements that are at a higher risk of being reported incorrectly. Without this information, the DQP cannot be used to identify a control structure tailored to address identified risks. In addition, the DQP does not include actions that USAGM plans to take to address the risk of misreported data. Developing a more robust DQP could help USAGM improve its DATA Act data quality.

Recommendation 4: OIG recommends that the U.S. Agency for Global Media revise its Data Quality Plan (DQP) to more thoroughly document items required by Office of Management and Budget’s Circular A-123, Appendix A. At a minimum, the revised DQP should provide details of the testing plan (which elements are tested and how often the testing will occur), details of the results of testing (errors identified for individual data elements), information on data elements that are at a higher risk of being reported incorrectly, and actions that are needed and have been taken to address the risk of misreported data.

Management Response: USAGM concurred with the recommendation, stating that it “plans to undertake a detailed review and revision of its [DQP] to ensure that items required by [OMB’s] Circular A-123, Appendix A” are included.

OIG Reply: On the basis of USAGM’s concurrence with the recommendation and planned actions, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that USAGM revised its DQP to more thoroughly document items required by OMB.

Finding B: USAGM Implemented Government-Wide Data Standards but the Use of Some Data Standards Needs Improvement

The CIGIE Guide states that auditors should assess Federal agencies’ implementation and use of the Government-wide financial data standards established by OMB and Treasury.⁷⁵ On the basis of work performed for this audit and presented in Finding A of this report, Williams Adley evaluated USAGM’s implementation and use of the Government-wide financial data standards for spending information as developed by OMB and Treasury. Williams Adley concluded that USAGM had fully implemented financial data standards but was not fully using those data standards as defined by OMB and Treasury.

Specifically, Williams Adley performed procedures to determine whether the required data elements and the OMB and Treasury definition of those data elements were consistently used

⁷⁵ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 120, at 2.

across the agency.⁷⁶ Williams Adley found that USAGM had properly designed data elements in accordance with OMB and Treasury definitions. Furthermore, Williams Adley confirmed that the summary-level data elements included in DATA Act File A were consistently used and complied with the required definitions. For the record-level data elements, Williams Adley found that the common identifiers (i.e., the Procurement Instrument Identifier and the Federal Award Identification Number) for data used in USAGM's financial system were appropriately linked and the definitions comply with the requirements. However, as detailed in Finding A, Williams Adley concluded that USAGM did not consistently use all the OMB and Treasury data elements. Specifically, Williams Adley found that USAGM inconsistently used Budget Object Classification codes and program activity codes within File B.⁷⁷

⁷⁶ USAGM did not provide a mapping document. Therefore, Williams Adley relied on inquiry and test work performed during this audit to determine the adequacy of USAGM's implementation and use of Government-wide data standards.

⁷⁷ Because this deficiency is discussed in Finding A, no additional recommendations are being offered in Finding B.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for recording estimated accounts payable amounts using a Budget Object Classification code that complies with guidance in Office of Management and Budget Circular A-11, § 83.

Recommendation 2: OIG recommends that the U.S. Agency for Global Media develop and implement internal controls that limit the use of the “continue processing” option in Momentum. At a minimum, the use should either be limited to certain high-level user roles in the system or a secondary approval should be required when this option is used.

Recommendation 3: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for Contract Specialists to be notified when contract actions are pending approval in Momentum.

Recommendation 4: OIG recommends that the U.S. Agency for Global Media revise its Data Quality Plan (DQP) to more thoroughly document items required by Office of Management and Budget’s Circular A-123, Appendix A. At a minimum, the revised DQP should provide details of the testing plan (which elements are tested and how often the testing will occur), details of the results of testing (errors identified for individual data elements), information on data elements that are at a higher risk of being reported incorrectly, and actions that are needed and have been taken to address the risk of misreported data.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

The Digital Accountability and Transparency Act of 2014¹ (DATA Act) requires each Federal agency's Office of Inspector General (OIG) to review and assess the spending data submitted by its agency, in compliance with the DATA Act. The objectives of the audit were to assess (1) the completeness, accuracy, timeliness, and quality of the first quarter FY 2019 financial and award data submitted by the U.S. Agency for Global Media (USAGM)² for publication on USASpending.gov and (2) USAGM'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).³ An external audit firm, Williams, Adley & Company-DC, LLP (Williams Adley), 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, OIGs provided Congress with the first required reports by November 8, 2017, 1 year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle (November 2019 and November 2021). On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the Inspector General reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. A copy of CIGIE's letter is included in Appendix E.

Williams Adley conducted audit fieldwork from May through October 2019 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 Williams Adley 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. Williams Adley believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

In 2019, CIGIE, Federal Audit Executive Council (FAEC), issued the "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act" (CIGIE Guide) to provide OIGs with a common methodology and reporting approach to use when performing the mandated DATA Act audit for FY 2019. The CIGIE Guide states that it sets "a baseline framework for the required reviews performed by the [Inspector General] community." The Guide also states that the procedures provided "are to foster a consistent methodology and reporting approach across the [Inspector General] community, not restrict an auditor from pursuing issues or concerns related to the implementation of the DATA Act." Generally, Williams Adley conducted this audit

¹ Pub. L. No. 113-101.

² The Broadcasting Board of Governors changed its name to USAGM in August 2018.

³ This is the objective that is included in the guide issued by CIGIE, "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," February 14, 2019, 2.

according to procedures in the CIGIE Guide. Williams Adley used professional judgment to customize certain testing procedures based on USAGM’s environment, systems, and data. Table A.1 shows the general methodology⁴ directed by the CIGIE Guide to accomplish DATA Act objectives and the corresponding work, including deviations, Williams Adley performed during its audit.

Table A.1: Required Audit Steps From the CIGIE Guide

Required Procedure to Accomplish Objectives	Williams Adley Audit Procedure and Report Location
Obtain an understanding of any regulatory criteria related to USAGM’s responsibilities to report financial and award data under the DATA Act	Williams Adley reviewed key laws, regulations, and guidance issued by OMB, the Government Accountability Office, and Treasury related to the DATA Act. (See the Background section of this report.)
Review USAGM’s data quality plan (DQP)	Williams Adley reviewed USAGM’s DQP and evaluated whether it contained all required elements to implement a DQP, including an overview of the organizational structure and key processes, a testing plan and identification of high-risk data, a process for identifying risk related to spending data, and the impact of how risks will be addressed. (See the Audit Results section of this report.)
Assess the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to Treasury’s DATA Act Broker, in order to assess audit risk and design audit procedures.	Williams Adley met with USAGM officials to gain an understanding of the DATA Act compilation and submission process, including systems used and the implementation and use of the 57 data elements. Williams Adley reviewed USAGM’s reconciliations of its DATA Act submission files. This included obtaining an understanding of how the systems are used in the DATA Act process. (See the “Work Related to Internal Controls” section of Appendix A of this report.)
Review and reconcile the FY 2019, first quarter, summary-level data submitted by USAGM for publication on USASpending.gov.	Williams Adley reviewed and reconciled summary-level data between USAGM’s Standard Form (SF) 133 and its DATA Act File A and reconciled USAGM’s DATA Act Files A and B to ensure proper linkages. Williams Adley also verified that all Budget Object Classification codes from DATA Act File B matched the codes defined in Section 83 of OMB Circular A-11, “Preparation, Submission, and Execution of the Budget,” and that all program activity names and codes from DATA Act File B matched the names and codes defined in the Detailed Budget Estimates by Agency Appendix in the President’s Budget. (See the Audit Results section of this report.)
Review a statistically valid sample from FY 2019, first quarter, financial and award data submitted by USAGM for publication on USASpending.gov.	Williams Adley selected a statistically valid sample for testing from USAGM’s certified first quarter FY 2019 submission for publication on USASpending.gov. (See the Audit Results section and the “Detailed Sampling Methodology” section of Appendix A of this report.)
Assess the completeness, accuracy, timeliness, and quality of the financial and award data sampled.	Williams Adley completed this testing in accordance with the CIGIE Guide. (See the Audit Results section of this report.)

⁴ In addition to the general methodology discussed in this section, the CIGIE Guide provides steps to perform during audit work. Williams Adley performed the required steps (or acceptable alternatives to those steps) but is not including the details of all the steps it performed.

Required Procedure to Accomplish Objectives

Williams Adley Audit Procedure and Report Location

Assess USAGM's implementation and use of the 57 data elements/standards established by OMB and Treasury.

Williams Adley tested data included in USAGM's DATA Act Files A, B, C, D1, and D2^a to ensure that the standardized data elements and OMB and Treasury definitions included in the DATA Act Information Model Schema were used across agency business processes, systems, and applications. Williams Adley also identified source systems where the data resides and determined whether any gaps were present. (See the Audit Results section of this report.)

^a DATA Act File E includes additional award attribute information that the Treasury DATA Act Broker extracts from the System for Award Management. DATA Act File F includes sub-award attribute information the Treasury DATA Act Broker extracts from the FFATA Subaward Reporting System. Data included in DATA Act Files E and F remain the responsibility of the awardee, in accordance with terms and conditions of Federal agreements, and the quality of these data remains the legal responsibility of the recipient. Therefore, agency Senior Accountable Officials (SAO) are not responsible for certifying the quality of DATA Act Files E and F data reported by awardees. However, SAOs are responsible for assuring controls are in place to verify that financial assistance awardees register in the System for Award Management at the time of the award. The CIGIE Guide (§ 200.05, at 6) states that it is optional for the auditor to assess DATA Act Files E and F because agencies are not responsible for certifying the quality of data in those DATA Act Files. Therefore, Williams Adley did not assess the completeness, accuracy, timeliness, and quality of DATA Act Files E and F.

Source: Prepared by Williams Adley on the basis of the CIGIE Guide and Williams Adley's audit planning and reporting procedures.

Prior Audit Report

In the first mandated DATA Act audit report,⁵ OIG reported that the data in DATA Act Files A and B were accurate, complete, timely, and of an acceptable quality. However, the auditor identified exceptions (that were in the control of the agency) related to the accuracy, completeness, timeliness, and quality of data included in DATA Act Files C, D1, and D2. Furthermore, flaws in Treasury's Broker system led to additional errors in the quality of the agency's data in DATA Act File D1. The auditor attributed errors, in part, to the inefficient submission of information to Government-wide systems. In addition, agency officials did not perform sufficient quality assurance reviews of the data submitted. Finally, the auditor found that the agency did not comply with OMB requirements for positioning the SAO within the organization. OIG made four recommendations to the agency to improve the quality of the data submitted for publication on the USASpending.gov website. As of November 2019, three recommendations were resolved, pending further action, and one recommendation was closed. Appendix F includes details of the recommendations from the FY 2017 DATA Act report.

Work Related to Internal Controls

The CIGIE Guide requires auditors to "obtain an understanding of the design of internal and information system controls as it relates to the extraction of data from the source systems and the reporting of data to the DATA Act Broker." The CIGIE Guide further states that the auditor should consult with the Government Accountability Office's *Standards for Internal Control in the Federal Government*⁶ and document an understanding gained of the internal control.⁷ As

⁵ OIG, Audit of the Broadcasting Board of Governors Implementation of the Digital Accountability and Transparency Act of 2014 (AUD-FM-IB-18-04, November 2017).

⁶ GAO-14-704G, September 2014.

⁷ "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 300.01, at 6.

required, Williams Adley performed certain procedures related to internal controls over the USAGM's DATA Act compilation and submission. For example, Williams Adley met with USAGM personnel to obtain an understanding of the controls, including IT controls, in place over its DATA Act submission and reviewed USAGM's Data Quality Plan (DQP).

Williams Adley also reviewed USAGM's DQP to determine, among other things, whether the DQP:

- Documents the organizational structure and key processes providing internal controls for financial and award data reporting.
- Documents a testing plan and the identification of high-risk reported data.
- Identifies the risk of misreported data, the impact of risk, and how those risks will be addressed.

Williams Adley also performed other steps related to the DQP, including determining USAGM's process for identifying and assessing risks related to spending data and whether the DQP was considered during the FY 2019 Senior Accountable Official's (SAO) certification.

In addition, Williams Adley considered USAGM's Enterprise Risk Management risk profile to determine whether USAGM identified any risks associated with controls over the DATA Act source systems and reporting. Furthermore, Williams Adley performed steps to determine whether the SAO provided quarterly assurance that USAGM's internal controls support the reliability and validity of the agency's summary-level and record-level data reported for publication on USASpending.gov.

Williams Adley obtained USAGM's certification, validation, reconciliation reports, and other supporting documentation that were used to provide assurance over USAGM's data submission for the first quarter of FY 2019. Williams Adley also reviewed the variances identified by USAGM during the reconciliation and assessed USAGM's follow-up on variances that were identified. Furthermore, Williams Adley performed steps to determine the extent to which internal controls of information systems and processes related to the DATA Act can be relied upon.

Details of internal control deficiencies identified during the audit are presented in the Audit Results section of this report.

Use of Computer-Processed Data

As described in the Background section of this report, USAGM uses several systems to generate the DATA Act submission Files, including USAGM-owned systems and systems used across the Federal Government. To ensure the completeness, accuracy, and timeliness of the DATA Act submission, agencies are required to perform quality control procedures, including ensuring that links between the Files submitted were appropriate.⁸ In addition, SAOs are required to provide assurance about the validity and reliability of the data submitted.⁹

⁸ OMB M-17-04, "Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability," November 4, 2016, 5.

⁹ Ibid.

USAGM performed a reconciliation of record-level DATA Act information related to the first quarter of FY 2019. The reconciliation of File C to Files D1 and D2 noted several variances; for example, some records that were included in File C were not included in File D1. USAGM officials did not resolve these discrepancies.

Williams Adley independently performed reconciliations between summary-level data (DATA Act Files A and B) and record-level data (DATA Act Files C, D1, and D2). Details of Williams Adley's testing are included in the Audit Results section of this report. On the basis of steps performed, Williams Adley concluded that the data were sufficiently reliable for the purposes of this audit. In addition, the CIGIE Guide states that auditors should determine the completeness of DATA Act File C, at a summary level, by performing certain steps.¹⁰ On the basis of procedures performed, Williams Adley determined that DATA Act File C was sufficient for sample selection.

Detailed Sampling Methodology

In accordance with the CIGIE Guide,¹¹ Williams Adley selected a statistically valid sample of certified spending data for transaction-level testing from USAGM's first quarter FY 2019 DATA Act submission. The CIGIE Guide states that DATA Act File C is the preferred source to select a statistically valid sample of data.¹² To determine whether DATA Act File C was suitable for sampling, Williams Adley tested the linkages between DATA Act Files B and C as well as DATA Act File C and DATA Act Files D1 and D2. Furthermore, Williams Adley reviewed USAGM's reconciliation of data between the different DATA Act Files. As a result of its analysis, Williams Adley determined that DATA Act File C was suitable for sampling.¹³

The CIGIE Guide states that the auditor should first determine the population size.¹⁴ USAGM's certified File C for the first quarter of FY 2019 contained 637 records, totaling \$78,017,568. The CIGIE Guide states that the auditor should set the expected error rate on the basis of the results of the FY 2017 DATA Act Audit.¹⁵ Table A.2 provides details of the error rates identified in the FY 2017 DATA Act audit.

¹⁰ "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," § 550, 15–16.

¹¹ *Ibid.*, § 560, at 16.

¹² *Ibid.*, § 560.01, at 16.

¹³ The CIGIE Guide does not specify how the auditor should determine the suitability of File C for testing. Therefore, Williams Adley determined that it would conclude that File C was sufficient for testing if the number of records in File C was within 10 percent of the number of records in Files D1 and D2. Williams Adley identified a difference of approximately 4 percent.

¹⁴ The CIGIE Guide (§ 560.02, at 16) states that the population size is the "number of detail records included in the agency's quarterly certified data submission determined by adding the total number of detail records in File C."

¹⁵ AUD-FM-IB-18-04.

Table A.2: FY 2017 Error Rates

Error Rate Accuracy	Error Rate Completeness	Error Rate Timeliness	Error Rate Quality
55.3	15.5	14.8	70.1

Source: AUD-FM-IB-18-04, at 7.

According to the CIGIE Guide, if more than one error rate was determined in the prior audit, “the error rate closest to 50 percent should be used.”¹⁶ Using the CIGIE guidance, Williams Adley selected 55.3 percent as the expected error rate because it was the closest to 50 percent.

Using guidance in the CIGIE Guide, Williams Adley used a confidence level¹⁷ of 95 percent and a sample precision¹⁸ of 5 percent. On the basis of these factors, Williams Adley used the instructions in the CIGIE Guide¹⁹ to determine that a sample size of 240 items, from a population of 637 records, was appropriate. Williams Adley used IDEA sampling software²⁰ to select the random sample from the population.

Projection of Errors to the Universe of Transactions

The CIGIE Guide instructs auditors to calculate and project error rates for the results related to completeness, accuracy, and timeliness for each data element.²¹ Using CIGIE guidance, Williams Adley calculated an average error rate for each record on the basis of the number of required data elements for that record and the number of exceptions. Williams Adley then calculated the overall error rates by using the average error rates by record to average over the number of records tested. Table A.3 includes the error rates calculated by Williams Adley.

Table A.3: Error Rates in USAGM’s Submission

Category	Error Rate (Percent)
Completeness	10.09
Accuracy	11.41
Timeliness	19.56

Source: Williams Adley generated on the basis of its testing and CIGIE guidance.

¹⁶ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 560.02, at 16.

¹⁷ According to the CIGIE Guide (§ 560.02, at 16), confidence level is the probability that a confidence interval produced by sample data contains the true population error.

¹⁸ According to the CIGIE Guide (§ 560.02, at 16), sample precision is a measure of the uncertainty associated with the projection.

¹⁹ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 560.02, at 17.

²⁰ 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.

²¹ “CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act,” § 580.06, at 21.

APPENDIX B: TESTING RESULTS FOR EACH DATA ELEMENT

Results for Testing Data Elements – Procurement Instrument Identifiers

Of the 240 items selected by Williams, Adley & Company-DC, LLP (Williams Adley) for testing, 239 related to procurement records submitted in the U.S. Agency for Global Media’s (USAGM) Digital Accountability and Transparency Act of 2014 (DATA Act) submission for the first quarter of FY 2019. Table B.1 provides the projected error rates for each data element on the basis of the results of Williams Adley’s testing of the data elements related to the Procurement Instrument Identifiers from USAGM’s DATA Act Files C and D1.

Table B.1: Data Element Projected Error Rates Based on Testing for Procurement Instrument Identifiers

File	Data Element Name (Number)	Error Rate (Percent) ^{a,b}		
		Accuracy	Completeness	Timeliness
D1	Award Description (22)	17	12	23
D1	Primary Place of Performance Congressional District (31)	16	15	27
D1	Period of Performance Potential End Date (28)	16	12	23
D1	Period of Performance Start Date (26) ^c	15	12	23
D1	Period of Performance Current End Date (27)	15	12	23
D1	Legal Entity Address (5)	15	12	23
D1	Ultimate Parent Unique Identifier (3)	14	12	23
D1	Action Date (25)	14	12	23
D1	Legal Entity Congressional District (6)	14	12	23
D1	Awardee/Recipient Unique Identifier (2)	14	12	23
D1	Current Total Value of Award (14)	13	12	23
D1	Potential Total Value of Award (15)	13	12	23
D1	Ultimate Parent Legal Entity Name (4)	13	12	23
D1	Primary Place of Performance Country Code (32)	13	12	23
D1	Primary Place of Performance Country Name (33)	13	12	23
D1	Primary Place of Performance Address (30)	13	12	23
D1	Awardee/Recipient Legal Entity Name (1)	13	12	23
D1	Federal Action Obligation (11)	13	12	23
D1	Legal Entity Country Code (7)	13	12	23
D1	Funding Office Name (42)	13	12	23
D1	Award Type (16)	12	12	23
D1	Legal Entity Country Name (8)	12	12	23
D1	NAICS Code ^d (17)	12	12	23
D1	NAICS Description ^d (18)	12	12	23
D1	Funding Agency Code (39)	12	12	23
D1	Funding Sub Tier Agency Code (41)	12	12	23
D1	Awarding Sub Tier Agency Code (47)	12	12	23
D1	Awarding Sub Tier Agency Name (46)	12	12	23
D1	Awarding Agency Code (45)	12	12	23

File	Data Element Name (Number)	Error Rate (Percent) ^{a,b}		
		Accuracy	Completeness	Timeliness
D1	Awarding Agency Name (44)	12	12	23
D1	Award ID Number (34)	12	12	23
D1	Funding Agency Name (38)	12	12	23
D1	Funding Sub Tier Agency Name (40)	12	12	23
D1	Awarding Office Name (48)	12	12	23
D1	Awarding Office Code (49)	12	12	23
D1	Funding Office Code (43)	12	12	23
D1	Action Type (36)	10	10	20
D1	Award Modification / Amendment Number (23)	10	10	20
D1	Parent Award ID Number (24)	7	6	16
C	Parent Award ID Number (24)	2	0	1
C	Program Activity (56)	1	0	0
C	Obligation (53)	1	0	0
C	Primary Place of Performance Country Name (33)	1	0	0
C	Appropriations Account (51)	0	0	0
C	Object Class (50)	0	0	0
D1	Ordering Period End Date (29)	0	0	0

^a Results have a margin of error no greater than ± 5 percent.

^b Results are sorted in descending order based on the percentage data in the Accuracy column (i.e., the data element with the highest accuracy error rate is listed first).

^c The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Working Group provided the following information related to this data element. The Department of the Treasury's (Treasury) "DATA Act Information Model Schema (DAIMS) Version 1.3.1," February 8, 2019, defines "Period of Performance Start Date" as the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective. For modifications of procurement awards, it is not clear whether "the award referred to" is the initial award or the modification and neither the Office of Management and Budget (OMB) nor Treasury has issued guidance with specific instructions on this. Therefore, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, in accordance with their internal policies and procedures/practices, it is not an error for DATA Act reporting purposes.

^d NAICS stands for the North American Industry Classification System.

Source: Prepared by Williams Adley from the results of testing.

Results for Testing Data Elements – Federal Award Identification Numbers

Of the 240 items selected for testing, 1 was related to financial assistance records submitted in the DATA Act submission for the first quarter of FY 2019. Table B.2 provides the projected error rates for each data element based on the results of Williams Adley's testing of the data elements related to the Federal Award Identification Numbers from USAGM's DATA Act Files C and D2.

Table B.2: Data Element Projected Error Rates Based on Testing for Federal Award Identification Numbers

File	Data Element Name (Number)	Error Rate (Percent) ^{a,b}		
		Accuracy	Completeness	Timeliness
D2	Awardee/Recipient Legal Entity Name (1)	100	0	0
D2	Legal Entity Address (5)	100	0	0
D2	Award Modification / Amendment Number (23)	100	0	0
D2	Action Date (25)	0	0	0
D2	Awardee/Recipient Unique Identifier (2)	0	0	0
D2	Ultimate Parent Unique Identifier (3)	0	0	0
D2	Ultimate Parent Legal Entity Name (4)	0	0	0
D2	Legal Entity Congressional District (6)	0	0	0
D2	Legal Entity Country Code (7)	0	0	0
D2	Legal Entity Country Name (8)	0	0	0
D2	Federal Action Obligation (11)	0	0	0
D2	Non-Federal Funding Amount (12)	0	0	0
D2	Amount of Award (13)	0	0	0
D2	Current Total Value of Award (14)	0	0	0
D2	Award Type (16)	0	0	0
D2	CFDA ^c Number (19)	0	0	0
D2	CFDA ^c Title (20)	0	0	0
D2	Award Description (22)	0	0	0
D2	Period of Performance Start Date ^d (26)	0	0	0
D2	Period of Performance Current End Date (27)	0	0	0
D2	Primary Place of Performance Address (30)	0	0	0
D2	Primary Place of Performance Congressional District (31)	0	0	0
D2	Primary Place of Performance Country Code (32)	0	0	0
D2	Primary Place of Performance Country Name (33)	0	0	0
D2	Award ID Number (34)	0	0	0
C	Award ID Number (34)	0	0	0
D2	Record Type (35)	0	0	0
D2	Action Type (36)	0	0	0
D2	Business Type (37)	0	0	0
D2	Funding Agency Name (38)	0	0	0
D2	Funding Agency Code (39)	0	0	0
D2	Funding Sub Tier Agency Name (40)	0	0	0
D2	Funding Sub Tier Agency Code (41)	0	0	0
D2	Funding Office Name (42)	0	0	0
D2	Funding Office Code (43)	0	0	0
D2	Awarding Agency Name (44)	0	0	0
D2	Awarding Agency Code (45)	0	0	0
D2	Awarding Sub Tier Agency Name (46)	0	0	0
D2	Awarding Sub Tier Agency Code (47)	0	0	0

File	Data Element Name (Number)	Error Rate (Percent) ^{a,b}		
		Accuracy	Completeness	Timeliness
D2	Awarding Office Name (48)	0	0	0
D2	Awarding Office Code (49)	0	0	0
C	Object Class (50)	0	0	0
C	Appropriations Account (51)	0	0	0
C	Obligation (53)	0	0	0
C	Program Activity (56)	0	0	0

^a Results have a margin of error no greater than ± 5 percent.

^b Results are sorted in descending order on the basis of the percentage data in the Accuracy column (i.e., the data element with the highest accuracy error rate is listed first).

^c CFDA stands for the Catalog of Federal Domestic Assistance.

^d The CIGIE Working Group provided the following information related to this data element. Treasury's "DATA Act Information Model Schema (DAIMS) Version 1.3.1," February 8, 2019, defines "Period of Performance Start Date" as the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective. For modifications of procurement awards, it is not clear whether "the award referred to" is the initial award or the modification, and neither OMB nor Treasury has issued guidance with specific instructions on this. Therefore, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, in accordance with their internal policies and procedures/practices, it is not an error for DATA Act reporting purposes.

Source: Prepared by Williams Adley from the results of testing.

APPENDIX C: ANALYSIS OF THE ACCURACY OF DOLLAR VALUE-RELATED DATA ELEMENTS

The testing required by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide¹ focuses on the quality of the data overall and does not focus specifically on the accuracy of dollar value-related data elements.² However, the CIGIE Guide encourages auditors to provide supplemental reporting that highlights the accuracy of dollar value-related data elements.

Table C.1 provides details of Williams, Adley & Company-DC, LLP, testing of those data elements that were dollar related based on the type of procurement (i.e., Procurement Instrument Identifier [PIID] and Federal Award Identification Number [FAIN]).

Table C.1: Analysis of the Accuracy of Dollar Value-Related Data Elements

Type	Data Element Name (Number)	Number Tested	Number With Errors	Number Not Applicable	Error Rate (Percent)	Absolute Value of Errors ^{a,b}
PIID	Federal Action Obligation (11)	239	30	0	13	\$1,425,903
PIID	Current Total Value of Award (14)	239	32	0	13	\$25,864,011
PIID	Potential Total Value of Award (15)	239	32	0	13	\$27,481,818
PIID	Transaction Obligation Amount (53)	239	3	0	1	\$671,842
FAIN	Federal Action Obligation (11)	1	0	0	0	\$0
FAIN	Potential Total Value of Award (15)	1	0	0	0	\$0
FAIN	Transaction Obligation Amount (53)	1	0	0	0	\$0
TOTAL		959	97	0		\$55,443,574

^a The CIGIE Guide suggests that the auditor include the absolute value of the dollar-value data elements with errors because it assists readers to understand the magnitude of those errors.

^b The amounts included in the table are not projectable to the universe of transactions because the statistical testing was performed on attributes and not on monetary amounts.

Source: Prepared by Williams Adley on the basis of the results of testing.

¹ CIGIE, Federal Audit Executive Council (FAEC), the "CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act," February 14, 2019.

² Ibid, § 590.06.

APPENDIX D: ANALYSIS OF ERRORS IN DATA ELEMENTS NOT ATTRIBUTABLE TO USAGM

Williams, Adley & Company-DC, LLP (Williams Adley) noted instances in which errors were caused by an entity other than the U.S. Agency for Global Media (USAGM). For example, if the Department of the Treasury's (Treasury) Digital Accountability and Transparency Act of 2014 (DATA Act) Broker extracts the wrong field from a source system, this is not an error attributable to USAGM. Table D.1 provides details of Williams Adley's identification of data elements with errors that were not attributable to USAGM based on the type of procurement (i.e., Procurement Instrument Identifier [PIID] and Federal Award Identification Number).

Table D.1: Summary of Errors in Data Elements Not Attributable to USAGM

Type	Data Element Name (Number)	Attributed to
PIID	Awardee/Recipient Legal Entity Name (1)	Extracted by Federal Procurement Data System - Next Generation (FPDS-NG) from the System for Award Management
PIID	Ultimate Parent Unique Identifier (3)	Extracted by FPDS-NG from the System for Award Management
PIID	Ultimate Parent Legal Name (4)	Extracted by FPDS-NG from the System for Award Management
PIID	Legal Entity Address (5)	Extracted by FPDS-NG from the System for Award Management
PIID	Legal Entity Congressional District (6)	Incorrect Congressional District in the System for Award Management*
PIID	Current Total Value of Award (14)	Extracted by Treasury DATA Act Broker from FPDS-NG
PIID	Potential Total Value of Award (15)	Extracted by Treasury DATA Act Broker from FPDS-NG

* The System for Award Management erroneously listed ZIP code 19103 as being included in Pennsylvania's 2nd Congressional District, when it is in the 3rd Congressional District.

Source: Prepared by Williams Adley on the basis of the results of testing.

APPENDIX E: ANOMALY LETTER

The Council of the Inspectors General on Integrity and Efficiency submitted a letter related to reporting date anomalies that it identified for the Digital Accountability and Transparency Act of 2014.



December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

1717 H Street, NW, Suite 825, Washington, DC 20006

Page 2

intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act "readiness reviews" at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
The Honorable Gene Dodaro, Comptroller General, GAO

APPENDIX F: FY 2017 DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT REPORT STATUS OF RECOMMENDATIONS

The following is information on the status of recommendations, as of November 2019, from the FY 2017 Digital Accountability and Transparency Act report.¹

Recommendation 1: OIG recommends that the Broadcasting Board of Governors² 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.

Status: The U.S. Agency for Global Media (USAGM) concurred with the recommendation. This recommendation remains open and is considered resolved, pending further action.

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.

Status: USAGM concurred with the recommendation. This recommendation remains open and is considered resolved, pending further action.

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.

Status: USAGM concurred with the recommendation. This recommendation remains open and is considered resolved, pending further action.

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.

Status: This recommendation has been closed.

¹ OIG, Audit of the Broadcasting Board of Governors Implementation of the Digital Accountability and Transparency Act of 2014 (AUD-FM-IB-18-04, November 2017).

² The Broadcasting Board of Governors changed its name to USAGM in August 2018.

APPENDIX G: U.S. AGENCY FOR GLOBAL MEDIA RESPONSE



U.S. AGENCY FOR
GLOBAL MEDIA

UNITED STATES
BROADCASTING
BOARD OF
GOVERNORS

330 Independence Avenue SW | Washington, DC 20237 | usagm.gov

December 5, 2019

Ms. Beverly J.C. O'Neill
Director, Financial Management Division
Office of the Inspector General
U.S. Department of State

Dear Ms. O'Neill:

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 U.S. Agency for Global Media concurs with the four recommendations as detailed in the enclosure to this letter. The Agency will continue to take steps to resolve and close the OIG's recommendations.

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

Sincerely,

A handwritten signature in blue ink that reads "Grant K. Turner".

Grant K. Turner
Chief Executive Officer and Director

Enclosures: As Stated

**Response to the Office of Inspector General's Draft Report
Audit of the U.S. Agency for Global Media's FY 2019 Implementation of the
Digital Accountability and Transparency Act of 2014**

December 5, 2019

Recommendation 1: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for recording estimated accounts payable amounts using a Budget Object Classification code that complies with guidance in Office of Management and Budget Circular A-11, § 83.

USAGM Response: USAGM concurs with the recommendation. The Agency is currently working with the Office of Federal Financial Management to get approval to use 92.0 (Undistributed) Budget Object Class when recording estimated accounts payable accruals effective for FY 2020.

Recommendation 2: OIG recommends that the U.S. Agency for Global Media develop and implement internal controls that limit the use of the "continue processing" option in Momentum. At a minimum, the use should either be limited to certain high-level user roles in the system or a secondary approval should be required when this option is used.

USAGM Response: USAGM concurs with the recommendation; however, USAGM has implemented alternative controls to those proposed in the recommendation. To address the OIG's concerns, USAGM first requested that its contractor remove the "continue processing" option from the draft stage in Momentum; however, the contractor informed USAGM that this cannot be done (Attachment A). As such, USAGM has reconfigured its workflow (Attachment B) to eliminate the timeliness issue. This new workflow requires a Contract Specialist (CS) to create a draft FPDS report in Momentum before the CS can submit the contract file to the Contracting Officer (CO) in the system. The CS must submit the contract file for the CO's review and approval prior to award. The CS prints the draft FPDS-NG report and submits it to the CO. The CO initials the draft FPDS-NG report and returns it to the CS. Contract Specialists have been instructed that they may only continue processing after receiving an initialed, draft FPDS-NG report from the CO. After the CS continues processing, the CO receives a notification that a final FPDS-NG report is pending approval. The CO then reviews and approves the final FPDS-NG report. USAGM believes this process represents sufficient internal controls to address the underlying issue of timely FPDS-NG reporting, especially considering that implementing the recommended limitation is not possible in the Momentum system.

Recommendation 3: OIG recommends that the U.S. Agency for Global Media develop and implement a methodology for Contract Specialists to be notified when contract actions are pending approval in Momentum.

USAGM Response: USAGM concurs with the recommendation. USAGM has subsequently reconfigured the workflow to address the timeliness of the FPDS issues (Attachment C). The updated workflow requires the Contract Specialist to submit the award to initiate the draft FPDS for review. Once submitted, the Specialist receives a notification that an FPDS task is in their "Review FPDS Draft" inbox. When the Contracting Officer has completed his/her review and signed the award, the Contract Specialist then submits the draft FPDS for final approval. At that time, an automatic notification is sent to the Contracting Officer's "Finalize FPDS" inbox for final approval.

Recommendation 4: OIG recommends that the U.S. Agency for Global Media revise its Data Quality Plan (DQP) to more thoroughly document items required by Office of Management and Budget's Circular A-123, Appendix A. At a minimum, the revised DQP should provide details of the testing plan (which elements are tested and how often the testing will occur), details of the results of testing (errors identified for individual data elements), information on data elements that are at a higher risk of being reported incorrectly, and actions that are needed and have been taken to address the risk of misreported data.

USAGM Response: USAGM concurs with the recommendation. The Office of the Chief Financial Officer plans to undertake a detailed review and revision of its Data Quality Plan to ensure that items required by Office of Management and Budget's Circular A-123, Appendix A, including details of the testing plan (which elements are tested and how often the testing will occur), details of the results of testing (errors identified for individual data elements), information on data elements that are at a higher risk of being reported incorrectly, and actions that are needed and have been taken to address the risk of misreported data.

Attachments to the auditee's response are available upon request, consistent with applicable law.

ABBREVIATIONS

CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System – Next Generation
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
SAO	Senior Accountable Official
SF	Standard Form
USAGM	U.S. Agency for Global Media

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