



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-FM-22-08

## 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 financial and award data 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), Kearney & Company, P.C. (Kearney), an external audit firm, conducted this audit to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data submitted by the Department of State (Department) for publication on USASpending.gov and (2) the Department's implementation and use of the Government-wide financial data standards established by OMB and Treasury.

## What OIG Recommends

OIG made three recommendations that are intended to improve the Department's DATA Act submissions. In addition, the status of one open recommendation made by OIG for the FY 2019 DATA Act audit is presented in Appendix G. On the basis of the Department's response to a draft of this report, OIG considers the three recommendations resolved, pending further action. A synopsis of management's response to the recommendations and OIG's reply follow each recommendation in the Audit Results section of this report. The Bureau of the Comptroller and Global Financial Services' response to a draft of this report is included in its entirety in Appendix H.

**November 2021**

**OFFICE OF AUDITS**

FINANCIAL MANAGEMENT DIVISION

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

### **What Was Found**

Kearney was unable to assess the Department's overseas DATA Act transactions that were submitted for the first quarter of FY 2021 because the Department did not certify those transactions. However, Kearney determined that the Department submitted its first quarter of FY 2021 DATA Act submission in a timely manner. Kearney also did not identify any issues with the completeness of summary-level data for DATA Act Files A and B and did not identify any exceptions during its reconciliation of DATA Act Files B and C. Although Kearney identified some exceptions during its reconciliation of DATA Act File C to DATA Act Files D1 and D2, the Department was able to sufficiently explain the variances.

Kearney also tested a statistical sample of 288 certified transactions and identified exceptions related to completeness, accuracy, and timeliness. However, Kearney's testing of a judgmental sample of 25 COVID-19 outlays did not identify any exceptions. Kearney considered the quality of the Department's submission of data for the first quarter of FY 2021 to be "Higher" (the second best quality level), based on criteria established by the Council of the Inspectors General on Integrity and Efficiency.

One reason for the exceptions identified was delays in adding information to the Government-wide procurement and grant systems due to the COVID-19 pandemic. In addition, Kearney found that the Department did not perform sufficient quality assurance of the data submitted. Although the quality of the Department data was considered "Higher," additional attention would improve the quality of the data to fulfill the intent of the DATA Act.

Finally, Kearney concluded that the Department implemented and used financial data standards established by OMB and Treasury for domestic transactions. However, until the Department is able to certify its overseas data, it cannot demonstrate that it implemented and used those standards.