



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

USAID Could Better Prepare To Comply With the Digital Accountability and Transparency Act

REVIEW REPORT 0-000-17-002-C
FEBRUARY 27, 2017; REISSUED MARCH 28, 2017

1300 Pennsylvania Avenue NW • Washington, DC 20523
oig.usaid.gov • 202-712-1150

The Office of Inspector General provides independent oversight that promotes the efficiency, effectiveness, and integrity of foreign assistance programs and operations under its jurisdiction, those of the U.S. Agency for International Development, U.S. African Development Foundation, Inter-American Foundation, Millennium Challenge Corporation, and Overseas Private Investment Corporation.

Report waste, fraud, and abuse

USAID OIG Hotline

Email: ighotline@usaid.gov

Complaint form: <https://oig.usaid.gov/content/oig-hotline>

Phone: 202-712-1023 or 800-230-6539

Mail: USAID OIG Hotline, P.O. Box 657, Washington, DC 20044-0657



MEMORANDUM

DATE: February 27, 2017; Reissued March 28, 2017

TO: USAID Chief Financial Officer, Reginald W. Mitchell

FROM: Deputy Assistant Inspector General for Audit, Alvin Brown /s/

SUBJECT: USAID COULD BETTER PREPARE TO COMPLY WITH THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT (0-000-17-001-C); (0-000-17-002-C) REISSUED

This memorandum transmits the independent auditor's final review report on USAID's readiness to comply with the Digital Accountability and Transparency Act (DATA Act) and replaces the previous report(s) published as report number(s) 0-000-17-001-S and 0-000-17-001-C (with issue date February 27, 2017). The revision was necessary to clarify language and better represent the work performed. Your comments on the draft appear in their entirety in appendix III.

Our contractor, GKA P.C., conducted the review. Although GKA found that USAID had taken the necessary steps to prepare to comply with the DATA Act, GKA made two recommendations: to formalize a workgroup governance structure and develop a project management plan to help USAID effectively work and monitor project progress. USAID agreed to implement them. However, we considered the recommendations not to be significant. Therefore, we will not be tracking them. OIG will conduct an audit later this year of USAID's compliance with the DATA Act.

In carrying out our oversight responsibilities, we reviewed the report and related review documentation to determine whether GKA P.C. complied with generally accepted government auditing standards. Our review did not disclose any instances in which GKA P.C. did not comply, in all material respects, with those standards.

We appreciate the cooperation and assistance you and your staff extended to GKA P.C. during this review.



1015 18th Street, NW Suite 200
Washington, DC 20036
Tel: 202-857-1777
Fax: 202-857-1778
www.gkacpa.com

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal Year 2016

**INDEPENDENT ACCOUNTANT'S ATTESTATION REVIEW REPORT ON THE U.S.
AGENCY FOR INTERNATIONAL DEVELOPMENT'S COMPLIANCE WITH REQUIREMENTS
EMBODIED WITHIN THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF
2014**

Submitted February 10, 2017 to:

**Amy Markel
Contracting Officer's Representative
U.S. Agency for International Development
Office of the Inspector General
Financial Audits Division, RRB 8-10-003
1300 Pennsylvania Ave., NW
Washington, DC 20036**

**Contact:
Michael Gardiner
Email: MGardiner@gkacpa.com
Phone: (202) 857-1777
Fax: (202) 857-1778**

February 10, 2017

Mr. Alvin Brown, Deputy Assistant Inspector General
Office of the Inspector General
Financial Audits Division
United States Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20036

Dear Mr. Brown,

Re: Readiness Review of USAID's Progress Towards
implementing the requirements of the DATA Act

We are pleased to submit our report on the above captioned engagement. We wish to thank you and your staff for your help and support. We also wish to thank the officials the United States Agency for International Development for their cooperation.

We are grateful for the opportunity to provide our services to the Office of the Inspector General, and we look forward to doing so in the future. If you have any questions with respect to this report, or any other aspect of our service, please do not hesitate to contact me at (202) 857-1777.

Very truly yours,

Chris Gardiner, CPA, CGMA
Principal

CONTENTS

Background.....	1
Review Results	3
Recommendations	6
Evaluation of Management Comments	8
Appendix I—Scope and Methodology	9
Appendix II—USAID DATA Act Process Flow.....	11
Appendix III—Management Comments.....	12

The following abbreviations appear in this report:

DATA Act	Digital Accountability and Transparency Act
FFATA	Federal Funding Accountability and Transparency Act
GFTA	Government Funding Transparency Act
OMB	Office of Management and Budget
FPDS-NG	Federal Procurement Data System-Next Generation
ASP	Award Submission Portal
FSRS	FFATA Sub-Award Reporting System
SAM	System for Award Management
GLAAS	Global Assistance Acquisition System
FAADS Plus	Federal Assistance Award Data System Plus
SAO	Senior Accountable Officer

Independent Accountant's Review Report

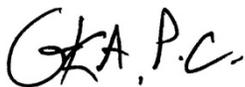
Office of Inspector General
United States Agency for International Development

We have reviewed United States Agency for International Development's (USAID) compliance with key provisions of the Digital Accountability and Transparency (DATA) Act of 2014 as of October 31, 2016. Management of USAID is responsible for USAID's compliance with the specified requirements. USAID's management did not provide us a written assertion about their compliance with the provisions of the DATA Act of 2014 as of October 31, 2016.

Our review was conducted in accordance with attestation standards embodied within Generally Accepted Government Auditing Standards (GAGAS) established by the Comptroller General of the United States and the Statements on Standards for Attestation Engagements (SSAE) promulgated by the American Institute of Certified Public Accountants (AICPA). A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

Based on our review nothing came to our attention that caused us to believe that USAID did not comply, in all material respects, with the key provisions of the DATA Act of 2014.

This report is intended solely for the information and use of USAID's Office of Inspector General, and is not intended to be, and should not be, used by anyone other than this specified party.



October 31, 2016

BACKGROUND

In 2014, Congress enacted the Digital Accountability and Transparency Act (DATA Act) to enhance transparency in government spending. The Act builds on the Federal Funding Accountability and Transparency Act of 2006 (FFATA) as amended by the Government Funding Transparency Act (GFTA) of 2008. It requires agencies to disclose direct Federal agency expenditures and link Federal contract, loan, and grant spending information to agency programs; establish government-wide data standards to make spending data comparable across government; and to improve the quality of data reported by Federal agencies under FFATA. The law aligns with the Administration's commitment to increase transparency and create a more data-driven government.¹

Since its creation in 1961, the United States Agency for International Development (USAID) has committed billions of dollars to fund efforts to end extreme poverty and enable resilient, democratic societies to realize their potential. In complying with FFATA's 2006 and 2008 requirements, USAID posts award data related to its foreign assistance programs on USASpending.gov. The DATA Act expands the scope of current reporting, and requires Federal agencies to begin posting their financial data by May 2017. The DATA Act also requires the USAID, Office of Inspector General (OIG) to review USAID's implementation of the Act and issue reports by November 2017, 2019, and 2021. GKA, PC (GKA) was contracted by the USAID OIG to conduct a Readiness Review (the Review) of USAID's progress towards implementing the requirements of the DATA Act.

In as much as agencies are not mandated to implement the Act until May 2017, this first report is focused on USAID's progress towards implementing the readiness activities outlined in the DATA Act Implementation Playbook version 2.0 (the Playbook), which was created by the Office of Management and Budget (OMB) and the Department of the Treasury to assist agencies in meeting their reporting requirements under the Act. The objectives of the Review were: 1) USAID has taken steps to prepare to implement the DATA Act in accordance with OMB and Treasury guidance and recommendations and 2) to determine what challenges could impede USAID's ability to implement the DATA Act.

In planning and performing the engagement we reviewed the relevant legislation, and gave consideration to relevant policy and technical guidance. We followed the guidance of the Federal Audit Executive Council (FAEC) DATA Act Working Group², in coordination with the Council of the Inspector General on Integrity and Efficiency (CIGIE), for the steps necessary to address our objectives. We also interviewed USAID officials and staff knowledgeable about USAID's DATA Act implementation efforts.

The DATA Act increases accountability and transparency in Federal spending by expanding current financial reporting requirements. Under FFATA, agencies are required to publish information related to Federal awards that include grants, subgrants, contracts, subcontracts, purchase orders, task orders, delivery orders, loans, awards, cooperative agreements and other forms of financial assistance. The award-level information is published on the website www.USASpending.gov. The DATA Act expands current reporting requirements to include financial data so that they can link various federal awards (e.g., contract, loan, and grant spending information) to Federal agency programs. Specifically, Federal agencies must report financial data at the appropriations level, including the amount that is awarded and expended

¹ OMB Open Government Directive M-10-06 (December 8, 2009)

² FAEC DATA Act Working Group DATA Act readiness Review Guide Version 2.0 (June 2, 2016)

according to the programs. The federal spending data must be categorized by the type of items or services purchased, among other information.

OMB and Treasury are responsible for establishing government-wide financial data standards to improve consistency and comparability of data reported and providing guidance to agencies on how to implement the DATA Act. On June 24, 2016, Treasury issued DATA Act Playbook, Version 2.0 (herein; the Playbook), which among other things, recommended eight steps, which are listed in the table below, to assist agencies in meeting the DATA Act requirements. The first four steps relate to how agencies prepare for the implementation of the DATA Act, while the remaining four relate to its implementation and execution (Table 1 below).

Table 1: DATA Act Implementation Steps

8-Steps for Agencies	Timeline
1) Organize team Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Officer (SAO)	By Spring 2015
2) Review elements Review list of DATA Act elements and participate in data definitions standardization	By Spring 2015
3) Inventory data Perform inventory of Agency data and associated business processes	February 2015-September 2015
4) Design & strategize a) Plan changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture data that are complete multi-level (e.g., summary and award detail) fully-linked data b) <i>Prepare cost estimates for FY 2017 budget projections</i>	March 2015-September 2015
5) Execute broker Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema; and the validation) iteratively	October 2015-February 2016
6) Test broker implementation Test broker outputs to ensure data are valid iteratively	October 2015-February 2017
7) Update systems Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)	October 2015-February 2017
8) Submit data Update and refine process (repeat 5-7 as needed)	March 2016-May 9 th , 2017

Source: Federal Audit Executive Council (FAEC) DATA Act Working Group, "DATA Act Readiness Review Guide," page 5

On May 8, 2015, OMB issued Memorandum M-15-12 ("Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable"), which among other things, provided guidance on current Federal award-level reporting for financial assistance and procurements, the implementation of data definition standards, and data exchange standards. The guidance also established a requirement for agencies to carry prime Award Identifiers (Award IDs) in their financial systems in order to link agency financial systems with award systems. By recording the Award Identifiers in the financial systems, Federal agencies will be able to associate data across their award management and financial systems. The guidance also required Federal agencies to begin reporting financial data in accordance with the data definition standards for display in May 2017.

On August 31, 2015, OMB and Treasury finalized 57 data definition standards³, which include standards for financial data as required under the DATA Act, and additional standards to improve comparability of award data reported under FFATA. These definitions did not

³ Federal Spending Transparency Data Standards
(<https://max.gov/maxportal/assets/public/offm/DataStandardsFinal.htm>)

necessitate developing new information, as they are based on detailed definitions found in OMB Circular A-11 and the Treasury Financial Manual.

To assist with the “data-centric⁴” approach to DATA Act implementation as envisioned by the OMB and Treasury, Treasury developed and issued the DATA Act Information Model Schema DAIMS v1.0—a data exchange standard or schema-- on April 29, 2016. The schema provides a standard classifications and a standard format to facilitate the exchange of the hundreds of data elements that make up the 57 standard definitions. Among other things, the schema includes a listing of the detailed data elements, as well as specific instructions for how Federal agencies will submit content in the appropriate format, and information for how content will be extracted from government wide systems.

Treasury issued technical documents defining DATA Act reporting requirements. The financial data reporting requirements are defined in Treasury’s Reporting Submission Specification (RSS). Agencies report financial data in three files labeled A, B, and C (see Appendix II USAID DATA Act Process Flow). USAID uses a Momentum based system (Phoenix) to process and record its financial transactions. The procurement and financial assistance award data reporting requirements are defined in Treasury’s Interface Definition Document (IDD). Agencies report award data in four files labeled D1, D2, E, and F. The various government-wide systems that are currently being used for reporting at USAspending.gov will continue to be used for DATA Act reporting. These systems include: the Federal Procurement Data System–Next Generation (FPDS-NG), the Award Submission Portal (ASP), FFATA Sub-award Reporting System (FSRS), and the System for Award Management (SAM). Appendix II provides an overview of USAID DATA Act information flow and related systems.

On May 3, 2016, OMB issued Management Procedures Memorandum (MPM) No. 2016-03 (“Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information”). MPM-16-03 established, among other things, the authoritative sources for DATA Act reporting, as well as agency’s responsibility for providing reasonable assurance that existing system and process controls are in place to support the reliability and validity of the data reported to USAspending.gov. The guidance also clarified that the Award ID linkage should be established by January 2017 for new awards and any modifications made after that date to existing awards.

REVIEW RESULTS

Our objectives for this review were to determine whether:

- 1) USAID has taken steps to prepare to implement the DATA Act in accordance with OMB and Treasury guidance and recommendations; and
- 2) There are challenges that could impede USAID’s ability to implement the DATA Act.

To date, USAID has taken initial steps to implement the DATA Act by May 2017. They have accomplished this in part by carrying out recommended initial planning activities outlined in the Playbook. There were no challenges that could substantially impede USAID’s ability to implement the DATA Act.

⁴ Per OMB 15-12, data-centric approach focuses on managing data across the government by mapping them to standard schema and taxonomy instead of making massive changes to systems across all agencies.

Step 1 – Organize Team

In accordance with the Playbook, USAID designated a Senior Accountable Officer (SAO) on May 2016 and established an informal DATA Act work group to implement the DATA Act. The work group is composed of individuals from key functional areas to ensure shared understanding of DATA Act requirements and technical standards across USAID. The work group members are from the following offices within USAID:

- Chief Financial Officer (CFO);
- Central Accounting and Reporting (CAR);
- Office of Acquisition and Assistance (OAA);
- Chief Information Officer (CIO); and
- Budget and Resource Management (BRM).

The SAO is currently USAID's CFO. This SAO monitors specific accomplishments related to DATA Act implementation. In interviews, the SAO summarized his main responsibilities for the DATA Act, which cover the following:

- Oversee the timely implementation of the USAID DATA Act Playbook in accordance with the OMB Eight Step Plan;
- Participate in monthly OMB DATA Act meetings;
- Coordinate a monthly USAID DATA Act meeting with all work group members;
- Direct work group members to ensure that Data Definition & Exchange Standards and requirements for data quality and reporting capabilities are implemented in accordance with OMB standards;
- Monitor the work group's assurance of assignment of Unique Federal Award Identification Numbers for Financial Assistance Awards;
- Ensure availability of Agency-Level and Award-Level Financial Data sources from Phoenix;
- Implement linkages between Phoenix and GLAAS; and
- Provide assurance of reporting of all financial data in USAGovspending.org.

Major implementation decisions are also approved by the SAO, particularly those affecting existing agency policies, business processes, and systems to support DATA Act reporting. Finally, the SAO will be responsible for certifying the reliability and validity of the agency data submitted to Treasury's DATA Act broker⁵ for publication on USASpending.gov.

Step 2 – Review Elements

As recommended by the Playbook, the workgroup has reviewed the DATA Act data elements and participated in the data element standardization process. The workgroup understands the data elements definitions and their relationship to USAID's business operations, information technology systems, and organization. The workgroup participated in the Integrated Award Environment Data Standards Working Group (IAE DSWG) and assisted in the final development of the required data elements.

⁵ A Broker is a virtual data layer at the agency that maps, ingests, transforms, validates, and submits agency data into a format consistent with the DATA Act Schema (i.e., data exchange standards)

The work group also communicated openly and directly with external stakeholders as they deemed necessary. Work group members participated in weekly conference calls hosted by Treasury and OMB; communicated with the OMB DATA Act Point of Contact and Treasury DATA Act Program Management Office via emails; and engaged with the Small Agency Council (SAC), an interagency organization made up of independent Federal agencies.

Step 3 – Inventory Data

USAID's DATA Act implementation relies heavily on its existing integrated financial and procurement systems, Phoenix and the Global Acquisition and Assistance System (GLAAS). These systems are integrated in real time, and are documented in existing architecture, planning, design and testing documents through multiple implementation cycles.

GLAAS and Phoenix already meet multiple federal government financial and procurement reporting requirements, including standards for recording PIID, FAIN, AAC (acquisitions) and object class data. The data elements recorded in USAID's systems are consistent with the DATA Acts standards. A detailed description of how USAID's data maps to the DATA Act elements is contained in the agency's "*The DATA Act Reporting - Design Document.*"

USAID captures all Federal Assistance Award Data System (FAADSPlus) data at the transaction level within GLAAS. Treasury is establishing a new submission format for FAADSPlus data and will be made available for agencies to test and provide feedback. Treasury and OMB are currently working to determine when the production cutover for the new ASP submission should take place.

The work group has created an inventory of USAID data and associated business processes after reviewing the DATA Act elements. The work group has traced DATA Act elements across agency business processes, information technology systems and applications, identified the appropriate source system to extract the needed data and understand, and inventoried how its elements, sources, and processes link together.

All prime awardees are responsible for reporting sub awardee data in FSRS. Due to USAID's bilateral model, data will not match USAspending reported data. Under the bilateral model, an award is not reported in GLAAS until an entity draws down funds on the award. USAID has no way to report the expenditure until the money is accepted by the entity. Bilateral assistance accounts for about half of all USAID's overseas transactions.

Based on the final analysis of the data element inventory, the work group determined that almost all of the necessary data was maintained in Phoenix and GLAAS, which interface with each other. The work group identified one gap in Phoenix regarding the program activity mapping at the award level. The current solution is to map the program activity to the award using existing funding tables within the financial database. The work group does not envision major changes in its information technology to address this gap.

Step 4 – Design and Strategize

USAID submitted its plan to implement the requirements of the DATA Act to OMB August 8, 2016. The implementation plan documents the tasks USAID plans to undertake to achieve the

requirements of the DATA Act. In accordance with the Playbook, these tasks are categorized under the eight DATA Act implementation steps. USAID does not envision changes to this plan.

USAID has begun executing its process for producing DATA Act financial report files A, B and C. Its “*DATA Act Reporting - Design Document*” contains a detailed description of how USAID’s data maps to the DATA Act elements. USAID’s DATA Act processes rely on its existing Phoenix and GLAAS technical architecture.

USAID does not plan to procure additional resources in connection with the DATA Act and USAID instead will rely on its existing resources, both direct hires and contractors, to fulfill the requirements.

Additionally, USAID anticipates being able to meet the DATA Act’s requirements by leveraging its existing integrated financial and procurement systems and technical infrastructure.

RECOMMENDATIONS

We have no findings to report as a result of our review; however, we noted the following issues and recommend that:

1. USAID develop a governance structure for the project

The work group lacks a formal governance structure. Groupings and linkages within the work group have not been clearly defined. This can result in a lack of coordination, weak focus on goals, conflict, poor work and information flows.

2. USAID develop a project plan containing elements to effectively plan and monitor project progress

USAID lacks a project management plan that serves as a guideline for the duration of the project and would document the following:

a) A detailed work breakdown structure:

- An appropriate scheduling system (bar charts, milestone charts, network, etc.)
- A listing of all activities within the project
- The possible interrelationships and interdependencies between the activities
- Activity time estimates
- Logical activity sequence

b) A management section containing procedures, charts and schedules:

- Assignment of key personnel to the project
- Manpower, planning, and training to assure qualified people will be available from the functional units
- A responsibility chart identifying the authority relationships that will exist
- Risk management process to recognize and manage potential and unforeseen trouble spots that may occur when the project is implemented

c) A technical section:

- A detailed breakdown of the charts and schedules used in the master schedule
- A listing of the testing to be accomplished for each activity
- Procedures for accomplishing the testing
- Identification of materials and material specifications, including system specifications

An effective project plan eliminates conflicts, provides a standard communications toll throughout the lifetime of the project, provides verification that the agency understands the DATA Act's objectives and requirements, provides a means for identifying inconsistencies in the planning phase, and provides an early identification of potential problem areas and risks.

EVALUATION OF MANAGEMENT COMMENTS

We received USAID's management comments on the recommendations included in our draft report. The comments on the recommendations identified in our review were not subjected to procedures applied in the review of DATA Act Readiness; accordingly, we express no opinion on them. The following is a summary of USAID's management comments and our evaluation of them.

Recommendation #1 - USAID develop a governance structure for the project

Management accepted recommendation 1 and stated that it will develop a governance structure by March 31, 2017. We acknowledge USAID's management decision on this recommendation and will monitor its progress to implement this recommendation.

Recommendation #2 - USAID develop a project plan containing elements to effectively plan and monitor project progress

Management accepted recommendation 2 and stated that it will develop a project plan containing elements to effectively plan and monitor project progress by March 31, 2017. We acknowledge USAID's management decision on this recommendation and will monitor its progress to implement this recommendation.

SCOPE AND METHODOLOGY

Scope

We conducted this review engagement in accordance with attestation standards embodied within Generally Accepted Government Auditing Standards (GAGAS) established by the Comptroller General of the United States and the Statements on Standards for Attestation Engagements (SSAE) promulgated by the American Institute of Certified Public Accountants' (AICPA's). These standards require that we plan and perform our review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, in accordance with our attestation objectives. Our fieldwork was conducted August 23 to October 31, 2016 in Washington, D.C.

The scope covered USAID's implementation of the DATA Act to date. USAID's implementation, like other federal agencies, follows guidance that OMB and Treasury created to assist agencies in implementing the DATA Act. The guidance is titled the *DATA Act Implementation Playbook*, and it contains eight steps. For the purposes of the readiness review, we evaluated USAID's implementation of steps one through four.

CIGIE's Federal Audit Executive Council (FAEC) created a *DATA Act Readiness Review Guide* to assist the OIGs in conducting the readiness engagements. We developed review steps based on the procedures in the Readiness Review Guide and the Playbook. The review program and methodology reflects those review steps and procedures that are applicable to USAID.

We gathered two main types of evidence as part of the review; documentation and testimonial evidence. The documentation included correspondence between the Senior Accountable Officer (SAO) and the DATA Act work group regarding DATA Act implementation, as well as internal correspondence on how to manage implementation. We also collected various pieces of documentation to verify that suggested DATA Act guidance was followed. Our testimonial evidence came from both individual and group interviews with work group members. We then compared the testimonial evidence to the documentation that we received from the SAO and OMB.

We examined USAID's internal controls related to DATA Act implementation by performing the following: 1) we reviewed the work groups established roles and responsibilities for executing tasks, 2) documented the risks associated with implementation and how they assessed and prepared for those risks and 3) inquired about how USAID monitors progress on DATA Act implementation at the management level.

Methodology

During the planning phase, we reviewed all pertinent laws and guidance that related to USAID's implementation of the DATA Act, including FFATA of 2006, GFTA of 2008, and the DATA Act of 2014. We also reviewed Federal guidance and policies such as the DATA Act Implementation Playbook, OMB Open Governance Directives M-10-06 and OMB Memorandum M-15-12 and MPM-2016-03. We also examined the 57 data elements contained in the data definition standards and their respective data fields, as well as the DATA Act Information Model Schema (DAIMS) v 1.0. DAIMS provides the reporting data and format for how agencies will submit DATA Act information to Treasury's DATA Act broker system.

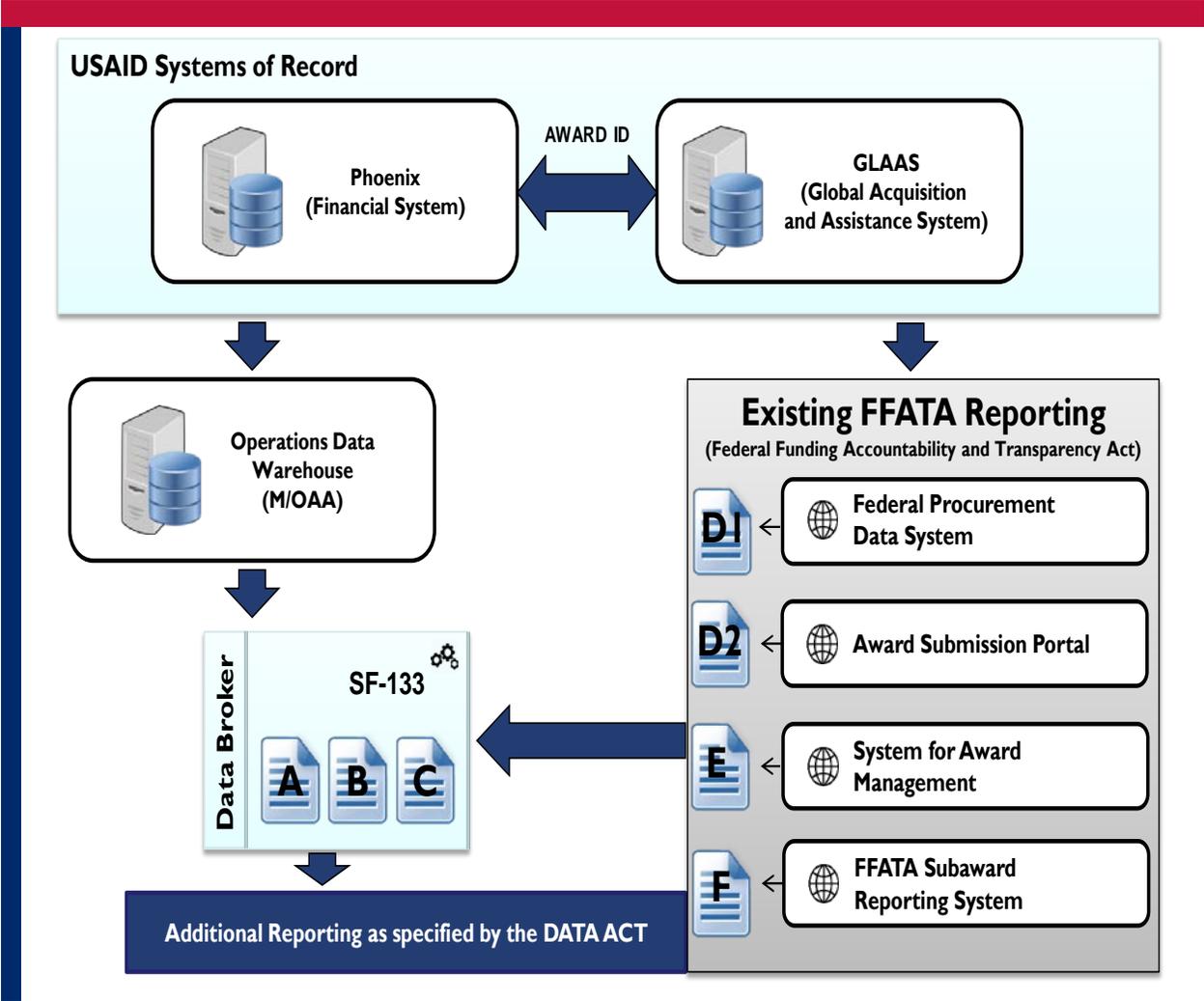
Our methodology during fieldwork was based on the following objectives: 1) USAID has taken steps to prepare to implement the DATA Act in accordance with OMB and Treasury guidance and recommendations and 2) to determine what challenges could impede USAID's ability to implement the DATA Act. We determined that USAID has taken initial steps to implement the DATA Act by May 2017. They have accomplished this in part by carrying out recommended initial planning activities outlined in the Playbook. We also determined that there were no challenges that could substantially impede USAID's ability to implement the DATA Act.

To determine whether USAID had taken steps to prepare for the implementation of the DATA Act, we interviewed USAID officials responsible for implementing the DATA Act, including the SAO and members of the DATA Act Working Group. During the interviews, we asked USAID's DATA Act work group to walk us through their timelines and methods for reviewing the DATA Act elements when they were first released by OMB and Treasury in August 2015. This included email correspondence within the workgroup to verify that members reviewed the elements and identified any areas that didn't pertain to USAID.

Through interviews, we determined which USAID IT systems will feed data to the DATA Act Broker, as well as the data from those systems that will feed pertinent DATA Act elements. These systems include GLAAS and Phoenix. We reviewed reports that measured the accuracy and completeness of the data, both at the appropriations account level of obligations, and outlays by program activity and by object class.



DATA Act Process Flow



MANAGEMENT COMMENTS



Chief Financial Officer

December 30, 2016

MEMORANDUM

TO: Alvin Brown, Deputy Assistant Inspector General for Audit

FROM: Reginald W. Mitchell 

SUBJECT: Management Response to Draft Review of USAID's Compliance with the Digital Accountability and Transparency Act (0-000-17-001-S)

We are pleased to provide comments on the review of USAID's compliance with the DATA Act. USAID has been recognized by OMB and Treasury as a leader in developing approaches to seamlessly comply with new requirements. Following progress meetings with OMB and Treasury, we were determined to be on the "cutting-edge" compared to other agencies, primarily because: (1) USAID already has a worldwide, integrated financial and procurement system; and (2) USAID has been in the planning stages of implementation since 2014.

Further, Treasury related that they were especially impressed with our compelling vision and active work in linking data. For this reason, we were asked to share our story during DATA Act Agency Day last October so that other agencies could benefit from hearing about our vision and implementation efforts.

Following are management's comments regarding the proposed recommendations:

Recommendation 1: We recommend that USAID develop a governance structure for the project.

Management Comments: We agree to develop a governance structure.

Target Completion Date: March 31, 2017

Recommendation 2: We recommend that USAID develop a project plan containing elements to effectively plan and monitor project progress.

Management Comments: We agree to develop a project plan containing elements to effectively plan and monitor project progress.

Target Completion Date: March 31, 2017

CLEARANCE PAGE FOR REPLY TO: Management Response to Draft Review of USAID's Compliance with the Digital Accountability and Transparency Act (0-000-17-001-S)

Clearances:

M/OAA/CAS: Steve Tashjian /s/ Date: 12/30/2016
M/OAA/OD: Roy Plucknett MWalther for Date: 12/29/2016
M/CFO/APC: Teresa Cooper tf Date: 12/30/16
M/CFO/APC: Gloria White JEsposito for Date: 12/29/2016
M/CFO/ICFO: Kent Kuyumjian mf Date: 12/29/16
M/CFO/ICFO: Connie Miconi edits Date: 12/28/16

Drafter:

M/CFO/CAR: SWillis: 202-567-5132:12/15/2016: Management Comments draft Review of USAID's Compliance with the Digital Accountability and Transparency Act