



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

# MCC Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014

**AUDIT REPORT 0-MCC-20-001-C**  
**NOVEMBER 1, 2019**

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## MEMORANDUM

DATE: November 1, 2019

TO: Millennium Challenge Corporation, Vice President, Department of Administration and Finance, Chief Financial Officer, Ken Jackson

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

SUBJECT: MCC Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014 (0-MCC-20-001-C)

Enclosed is the final audit report on MCC's compliance in fiscal year 2019 with the Digital Accountability and Transparency Act of 2014 (DATA Act). The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) Inspectors General Guide to Compliance under the DATA Act.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which Brown & Company did not comply, in all material respects, with applicable standards.

The audit objectives were to (1) assess the completeness, timeliness, quality, and accuracy of MCC's fiscal year 2019, first quarter (December 31, 2018) financial and award data submitted to the U.S. Department of the Treasury for publication on USASpending.gov and (2) assess MCC's implementation and use of the Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury as applicable. To answer the audit objectives, Brown & Company analyzed a statistically valid sample of 31 out of 35 records. Brown & Company matched the sampled records to 57 data definitions standards established by OMB and Treasury from the first quarter of fiscal year 2019 financial and award data submitted to the Treasury for publication on USASpending.gov.

The audit firm concluded that (1) MCC complied with the requirements of the DATA Act and (2) the data reported for the first quarter of fiscal year 2019 for publication on

USASpending.gov were complete, timely, accurate, and of good quality. However, the auditors made two recommendations to help strengthen MCC's internal controls over its DATA Act reporting.

To address the weaknesses identified, we recommend that MCC's Chief Financial Officer:

**Recommendation 1.** Develop and implement procedures to validate the completeness and accuracy of data reported and ensure timely entries of data into Federal Procurement Data System – Next Generation.

**Recommendation 2.** Develop and implement a Data Quality Plan in accordance with OMB M-18-16 "Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk," June 6, 2018.

In finalizing the report, the audit firm evaluated MCC's responses to the recommendations. After reviewing that evaluation, we consider both recommendations to be resolved but open pending completion of planned activities. For recommendations 1 and 2, please provide evidence of final action to [OIGAuditTracking@usaid.gov](mailto:OIGAuditTracking@usaid.gov). We appreciate the assistance extended to our staff and the audit firm's employees during the engagement.

**Millennium Challenge Corporation  
Complied with the Digital Accountability and  
Transparency Act of 2014 (DATA Act)  
Fiscal Year 2019**



**October 25, 2019**

**Prepared by:**

**Brown & Company  
Certified Public Accountants and Management Consultants, PLLC  
6401 Golden Triangle Drive, Suite 310  
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(240) 770-4903**



## **Independent Auditor's Report**

Office of Inspector General for Millennium  
Challenge Corporation  
United States Agency for International  
Development  
Washington, DC

The Office of Inspector General for Millennium Challenge Corporation (MCC) contracted Brown & Company CPAs and Management Consultants, PLLC, to conduct a performance audit of MCC's first quarter financial and award data as of December 31, 2018, in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act). To clarify the reporting requirements under the DATA Act, the Office of Management and Budget (OMB) and Department of Treasury (Treasury) published 57 data definition standards and required Federal agencies to report financial and award data on USASpending.gov.

The audit objectives were to assess (1) completeness, timeliness, quality, and accuracy of MCC's fiscal year (FY) 2019 first quarter financial and award data submitted to Treasury for publication on USASpending.gov and (2) MCC's implementation and use of the Government-wide financial data standards established by OMB and Treasury. MCC's management is responsible for reporting financial and award data in accordance with these standards, as applicable.

We conducted our performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we 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. Our performance audit involves performing procedures to obtain evidence about the FY 2019 first quarter financial and award data. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the FY 2019 first quarter financial and award data, whether due to fraud or error. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We found that the FY 2019 first quarter financial and award data of MCC for the quarter ended December 31, 2018, is presented in accordance with OMB and Treasury published 57 data definition standards, as applicable, for DATA Act reporting in all material respects. We found that the data MCC submitted complied with the requirements for completeness, timeliness, quality, and accuracy. However, to help strengthen MCC's internal controls over its DATA Act reporting, we identified two internal controls weaknesses regarding the completeness, accuracy and timeliness of reported data and made two recommendations.

The purpose of this report is solely to describe the scope of our testing and the results of that testing. Accordingly, the report is not suitable for any other purpose.

This report is intended for the information and use of the MCC's management, OIG and the U.S. Congress, and is made available to the public.

Greenbelt, Maryland



October 25, 2019

**Millennium Challenge Corporation  
Complied with the Digital Accountability and Transparency Act of 2014  
(DATA Act)**

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**Millennium Challenge Corporation - Audit Report**

**Independent Auditors' Report on the Compliance with the  
Digital Accountability and Transparency Act of 2014 Submission  
Requirements for Fiscal Year 2019**

**Executive Summary**

For FY 2019, the Millennium Challenge Corporation's (MCC's) Office of Inspector General (OIG) contracted with Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) to conduct an independent assessment of MCC's compliance with the provisions of the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires the OIG of each federal agency to audit a statistically valid sample of the certified spending data submitted by the agency and to submit to Congress a publicly available report assessing the completeness, accuracy, timeliness and quality of the data sampled and the implementation and use of the Government-wide financial data standards by the Federal agency.

Our audit was conducted in accordance with generally accepted government auditing standards. Our audit approach measured completeness, accuracy and timeliness of 57 data elements, as applicable to MCC. MCC's submission is considered complete when transactions and events that should have been recorded are recorded in the proper period. MCC's data elements are considered accurate when amounts and other data relating to recorded transactions have been recorded in accordance with the DATA Act Information Model Schema (DAIMS) v 1.3 Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary; and agree with the authoritative source records. MCC's submission is considered timely when the submission by the MCC to the DATA Act Broker is in accordance with the reporting schedules established by the Treasury DATA Act Project Management Office, no later than March 20, 2019. MCC's data elements are considered timely when reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements. Based on the results of our testing, we determined the quality of the data.

Our statistical sample size was 31 of 35 transactions records consisting of 28 contracts and 3 grants records. Our assessment included testing compliance with the OMB and Treasury published 57 data definition standards, as applicable. We concluded that MCC complied with the DATA Act reporting requirements. Based on the audit procedures performed, we determined that the completeness error rate is 1%, accuracy error rate is 3% and timeliness error rate is 10%. We determined that MCC's data was generally of good quality – that is, significant amounts of the data were complete, timely, and accurate.

## Background

### *Millennium Challenge Corporation*

The Millennium Challenge Corporation (MCC), established in 2004, is an independent and wholly-owned Government Corporation that provides foreign assistance through grants (compact and threshold programs) to developing countries. MCC programs and activities are funded by Congress through annual no-year appropriations. MCC's mission is to reduce poverty by supporting sustainable economic growth in select developing countries that demonstrate a commitment to sound policies in the areas of democratic governance, economic freedom, and investment in their people. MCC achieves this mission by providing grant assistance for programs that unlock economic growth in its partner countries and help people lift themselves out of poverty.

MCC is managed by a Chief Executive Officer (CEO) appointed by the President and confirmed by the Senate and overseen by a Board of Directors, which is composed of the Secretary of State, the Secretary of Treasury, the U.S. Trade Representative, the Administrator of U.S. Agency for International Development, the CEO of MCC, and four public members appointed by the President of the United States with the advice and consent of the U.S. Senate. The Secretary of State is the Chair of the Board and the Secretary of Treasury is the Vice Chair. MCC is comprised of six departments as shown below:

- Office of the Chief Executive Officer
- Office of the General Counsel
- Department of Congressional and Public Affairs
- Department of Administration and Finance
- Department of Compact Operations
- Department of Policy and Evaluation

MCC's Vice President and Chief Financial Officer is the senior accountable official (SAO) who certifies the MCC DATA Act submissions.

The Interior Business Center (IBC), operated by the Department of the Interior, is MCC's Federal Shared Service Provider (FSSP) for financial reporting. IBC maintains and operates the Oracle Federal Financial (OFF), which is the main system of record for MCC's USAspending.gov reporting compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) and OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, and M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk*.

In FY 2018, MCC's Department of Administration & Finance completed the agency-wide rollout of Oracle's Contract Lifecycle Management (CLM) system. By expanding its Interagency Agreement with the Department of the Interior, MCC was able to integrate Oracle's contract-writing system with its existing Oracle/DOI financials. The system went live in the FY 2018 first quarter, and MCC's Contracts and Grants Management division (CGM) completed the conversion of all legacy contract data by the end of the FY 18 fourth quarter.

## ***The Digital Accountability and Transparency Act of 2014 (DATA Act)***

In 2006, Congress passed, and the President signed the Federal Funding Accountability and Transparency Act of 2006 (FFATA)<sup>1</sup>. The purpose of FFATA was to increase transparency and accountability surrounding federal contracts and financial assistance awards. In accordance with FFATA, in December 2007, OMB established a federal government website, USAspending.gov that contains obligation data on federal awards and subawards.

The DATA Act was enacted May 9, 2014, to expand the reporting requirements pursuant to FFATA<sup>2</sup>. The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with the established governmentwide financial data standards. In May 2015, OMB and Treasury published 57 data definition standards (commonly referred to as data elements) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting in January 2017. Subsequently, and in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USAspending.gov for taxpayers and policymakers in May 2017.

The DATA Act also requires Inspectors General to issue a report to Congress assessing the completeness, timeliness, accuracy, and quality of a statistical sample of spending data submitted by the agency and the agency's implementation and use of the data standards. 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 Inspector General 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, Inspectors General provided Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with two subsequent reports, each following on a 2-year cycle. On December 22, 2015, CIGIE's chair issued a letter memorializing the strategy for dealing with the reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.

### **Purpose**

The DATA Act, in part, requires federal agencies to report financial and award data in accordance with the established governmentwide financial data standards.

### **Objectives**

The objectives of the performance audit of the MCC's compliance with the DATA Act audit were to assess the (1) completeness, timeliness, accuracy, and quality of the MCC's Fiscal Year (FY) 2019 first quarter financial and award data submitted to the U.S. Department of Treasury (Treasury) for publication on USAspending.gov, and (2) MCC's implementation and use of the governmentwide financial data standards established by the Office of Management and Budget (OMB) and Treasury.

### **Scope and Methodology**

We followed guidance from CIGIE's Federal Audit Executive Council (FAEC)<sup>3</sup>. The FAEC guide documents a common methodological framework, developed in consultation with the U.S. Government Accountability Office (GAO), for Inspectors General to conduct required DATA Act reviews. We also

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<sup>1</sup> Public Law 109-282 (September 2, 2006)

<sup>2</sup> Public Law 113-101 (May 9, 2014)

<sup>3</sup> CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, February 14, 2019.

reviewed applicable laws, regulations, MCC policies and procedures, and other documentation related to the DATA Act. We selected and analyzed a statistically valid sample of the MCC's FY 2019 first quarter spending data submitted by the agency for publication on USAspending.gov. Our sample size was 31 out of 35 records.

We conducted our fieldwork from February 28, 2019 through August 29, 2019 in accordance with generally accepted government auditing standards. Those standards require that we 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Additional details on our scope and methodology are outlined in Appendix A.

## **Assessment of Internal Control**

We reviewed the MCC's control environment, risk assessment, control activities, information and communication, and monitoring controls. We determined that internal and information system controls as it relates to the extraction of data from the source systems and the reporting of the data to the DATA Act Broker have been properly designed and implemented and are operating effectively to allow the audit team to assess audit risk and design audit procedures. Based on our audit procedures performed, we made two recommendations for improvement that MCC should consider.

## **Audit Findings**

### **The MCC Continues to Make Progress in Its Government-wide DATA Act Implementation Efforts**

We determined that MCC's 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 have been properly designed and implemented, and are operating effectively. We determined that data within our sample that MCC reported for the first quarter FY 19 for publication on USAspending.gov were complete, timely, accurate, and of good quality. We assessed these characteristics using the framework provided in the FAEC guide. However, during our audit we identified two areas of improvement in MCC's internal controls and made two recommendations, as noted below.

#### **Finding # 1 – MCC Should Improve the Accuracy and Timeliness of Data**

*CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*, February 14, 2019, defines Accuracy for the DATA Act as:

“Amounts and other data relating to recorded transactions have been recorded in accordance with the DAIMS, Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agree with the authoritative source records.”

The guide states “to assess the timeliness of the data elements:

- Procurement award data elements within File D1 should be reported in FPDS-NG within 3 business days after contract award in accordance with the FAR Part 4.604.

To test the accuracy and timeliness of the MCC's award-level transactions, we selected a statistical sample of 31 records from a population of 35 records. For accuracy of each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2, with some exceptions as noted below.

**Table 1: Exceptions in Accuracy of Data Elements**

<b>Data Element No.</b>	<b>No. of Exceptions</b>	<b>File D1</b>	<b>Sample No.</b>
1	1	Awardee/Recipient Legal Entity Name	10
2	1	Unable to find the Duns number in the contract document.	17
3	2	Unable to find the Ultimate Parent Unique identifier in SAM.	17,27
5	9	The legal entity address in File D1 is different from the address on the SF 30.	1,5,10,15,17,18,24,23,28
6	3	The legal entity congressional district in File D1 is different from the congressional district in SAM.	9,23,24
14	3	The current total value of award in the samples tested did not agree with the SF 30 box 12.	14,22,28
24	2	Parent award ID Number	10,12
25	3	The action date in the File D1 is different from the action date on the SF 30.	4,9,10
26	2	The period of performance start date did not reconcile with the period of performance on the SF 30.	8,15
27	1	The period of performance current end date in samples selected did not reconcile with the period of performance on the SF30.	15
28	1	The period of performance potential end date in samples selected did not reconcile with the period of performance on the SF30.	14
36	1	<b>Completeness:</b> Samples tested were missing the action type on the SF 30.	27
		<b>File C</b>	
24	2	Parent award ID Number	10,12
50	2	Object Class	4,16
51	2	Appropriations Account	4, 8
56	7	<b>Completeness:</b> Program Activity were not stated in File C; however, it was reported in the Line of Accounting on the SF-30.	9,16,18,19,20,23,27

We found exceptions in accuracy for 17 of 31 (55%) record samples: 1, 4, 5, 8, 9, 10, 12, 14, 15, 16, 17, 18, 22, 23, 24, 27, and 28. We noted that data elements 3 and 6 are derived from SAM and the accuracy of the data is outside of MCC’s control. Therefore, the errors are not attributable to MCC. The data element exceptions within these sampled caused a projected error rate of 3% for the accuracy and projected error rate of 1% for completeness in reporting for the first quarter in FY19.

MCC’s procurement award data elements within File D1 for 4 of 31 records were not reported in FPDS-NG within 3 business days after contract award. The exceptions caused a projected error rate of 10% for timeliness.

MCC’s lack of quality control procedures led to errors in the completeness, accuracy and timeliness of data reported. The effect is a risk that inaccurate and/or untimely data will be uploaded to USAspending.gov decreasing the reliability and usefulness of the data.

**Recommendation 1:** We recommend MCC’s management develop and implement procedures to validate the completeness, accuracy of data reported and ensure timely entries of data into FPDS-NG.

## **Finding # 2 – MCC’s DATA Act Implementation Should Include A Data Quality Plan**

The Office of Management and Budget Memorandum 18-16, “Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,” June 6, 2018, requires DATA Act reporting agencies to develop and maintain a Data Quality Plan (DQP) effective fiscal year 2019. The OMB M-18-16 states:

Agencies that have determined they are subject to the DATA Act reporting must develop and maintain a Data Quality Plan that considers the incremental risks to data quality in Federal spending data and any controls that would manage such risks in accordance with OMB Circular No. A-123.

The Data Quality Plan 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 in accordance with OMB Circular No. A-123.
- Testing plan and identification of high-risk reported data, including specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act, confirmation that these data are linked through the inclusion of the award identifier in the agency’s financial system, and reported with plain English award descriptions.
- Actions taken to manage identified risks.

MCC did not develop a DQP for the FY19 DATA Act reporting period. MCC relied on other internal control policies and procedures to assess and monitor control over the DATA Act reporting requirements.

MCC’s lack of a DQP increases the incremental risks to data quality reported in Federal spending data and any controls that would manage such risks in accordance with OMB Circular No. A-123. Once developed by the agency, quarterly certifications of data submitted by SAOs, or the designee should be based on the consideration of the DQP and the internal controls documented by the agency.

**Recommendation 2:** We recommend MCC’s management develop and implement a DQP in accordance with OMB M-18-16.

## Audit Results

### *Analysis of the Accuracy of Dollar Value-related Data Elements*

The following table displays the results of the accuracy of the data elements that are associated with a dollar value. The absolute value of errors by data element are not projected to the population.

**Table 2: Accuracy of Dollar-Value Related Data Elements**

Accuracy of Dollar-Value Related Data Elements									
PIID	Data Element			Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	DE	11	Federal Action Obligation	31	0	0	31	0%	-
PIID	DE	14	Current Total Value of Award	28	3	0	31	10%	\$5,809,098.90
PIID	DE	15	Potential Total Value of Award	31	0	0	31	0%	-
PIID	DE	53	Obligation	31	0	0	31	0%	-
FAIN	DE	11	Federal Action Obligation	2	0	0	2	0%	-
FAIN	DE	12	Non-Federal Funding Amount	2	0	0	2	0%	-
FAIN	DE	13	Amount of Award	2	0	0	2	0%	-
FAIN	DE	14	Current Total Value of Amount	2	0	0	2	0%	-
FAIN	DE	53	Obligation	2	0	0	2	0%	-
			<b>Total</b>	<b>131</b>	<b>3</b>	<b>0</b>	<b>134</b>	<b>10%</b>	<b>\$5,809,098.90</b>

### *Analysis of Errors in Data Elements Non-Attributable to MCC*

MCC reconciles the financial system data to FPDS-NG and USA Spending to ensure the agency's data is accurate, transparent and agrees to the SF-133, Report on Budgetary Execution and Budgetary Resources, MCC enters post-award information into Federal Procurement Data System – Next Generation (FPDS NG). For completion of data, FPDS-NG also extracts data from SAM and DUN.

Based on our testing, the DE 3 Ultimate Parent Unique Identifier was not located in SAM for 2 of 31 samples, and the DE 6 legal entity congressional district in File D1 was different from the congressional district in SAM for 3 of 31 samples. Below are the results for the errors in data elements that are not attributed to MCC.

**Table 3: Errors in Data Elements Not Attributable to MCC**

Errors in Data Elements Not Attributable to MCC			
PIID	Data Element		Attribute to
PIID	DE 3	Ultimate Parent Unique Identifier	FPDS-NG Extracting from SAM or DUN and Bradstreet
PIID	DE 6	Legal Entity Congressional District	FPDS-NG Extracting from SAM

## **DATA Act Date Anomaly**

The CIGIE identified a timing anomaly with the oversight requirements contained in the Digital Accountability and Transparency Act of 2014. That is, the first Inspector General (IG) reports were due to Congress on November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their 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. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG 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.

## **Assessment of DATA Act Submission**

### **Completeness and Timeliness of the Agency Submission**

#### ***Submission was Complete and Timely***

We evaluated the MCC's DATA Act submission to Treasury's DATA Act Broker and determined that the submission was complete and submitted timely. To be considered a complete submission, we evaluated Files A, B and C to determine that all transactions and events that should have been recorded were recorded in the proper period.

#### ***Summary-Level Data and Linkages for Files A, B, and C***

We reconciled Files A and B to determine if they were accurate. Through our test work, we noted that Files A and B were accurate. Additionally, we reconciled the linkages between Files A, B and C to determine if the linkages were valid and to identify any significant variances between the files. Our test work did not identify any significant variances between Files A, B, and C.

#### ***Record-Level Data and Linkages for Files C and D***

We selected a statistically valid sample of 31 of 35 records and tested 45 data elements for completeness, accuracy and timeliness.

#### ***Completeness of the Data Elements***

The projected error rate for the completeness of the data elements is 1%<sup>4</sup>. A data element was considered complete if the required data element that should have been reported was reported.

We noted that two required data elements for 8 of 31 sampled records were not reported.

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<sup>4</sup> Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 0% and 20%.



### ***Accuracy***

The projected error rate for the accuracy of the data elements is 3%<sup>5</sup>. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS RSS, IDD, and the online data dictionary, and agree with the authoritative source records.

We noted errors within the data that the MCC was required to submit for publication. These errors included missing or mismatched data elements in File C and D1. We also noted that two data element errors are derived from SAM and the accuracy of the data is outside of MCC's control. Therefore, the errors are not attributable to MCC.

### ***Timeliness of the Data***

The projected error rate for the timeliness of the data elements is 10%<sup>6</sup>. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements (FFATA, FAR, FPDS-NG, FABS and DAIMS). We noted that 4 of 31 sampled records were not submitted in FPDS-NG within 3 business days after contract award.

### ***Quality of the Data***

All data were generally of good quality – that is, data were complete, timely, and accurate, and the MCC's internal controls over source systems and the data submission gave us reasonable assurance that controls were designed, implemented, and operating effectively.

The quality of the data elements was determined 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 was used as the determining factor of quality. The following table provides the range of error in determining the quality of the data elements.

<b>Highest Error Rate</b>	<b>Quality Level</b>
<b>0% - 20%</b>	<b>Higher</b>
<b>21% -40%</b>	<b>Moderate</b>
<b>41% and above</b>	<b>Lower</b>

Based on our test work and the highest error rate of 10%, we determined that the quality of MCC's data is considered Higher.

### ***Implementation and Use of the Data Standards***

We have evaluated MCC's implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. MCC has fully implemented and is using those data standards as defined by OMB and Treasury. MCC has identified, linked by common identifiers (e.g. PIID, FAIN), all of the data elements in the agency's procurement, financial, and grants systems, as applicable. For the broker files tested, we generally found that the required elements were present in the file and that the record values were presented in accordance with the standards.

<sup>5</sup> Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 0% and 20%.

<sup>6</sup> same

The below table provides detailed results of our testing.

**Table 4: Results of PIID and FAIN Statistical Sample Testing**

<b>Results of PIID and FAIN Statistical Sample Testing</b>							
<b>Sample Record #</b>	<b>Total # DEs</b>	<b># Incomplete</b>		<b># Inaccurate</b>		<b># Untimely</b>	
1	45	0	0.00%	1	2.22%	0	0.00%
2	45	0	0.00%	0	0.00%	0	0.00%
3	45	0	0.00%	0	0.00%	0	0.00%
4	45	0	0.00%	3	6.67%	32	71.11%
5	45	0	0.00%	1	2.22%	0	0.00%
6	45	0	0.00%	0	0.00%	0	0.00%
7	45	0	0.00%	0	0.00%	0	0.00%
8	45	0	0.00%	2	4.44%	0	0.00%
9	45	1	2.22%	2	4.44%	0	0.00%
10	45	0	0.00%	5	11.11%	32	71.11%
11	45	0	0.00%	0	0.00%	32	71.11%
12	45	0	0.00%	2	4.44%	0	0.00%
13	45	0	0.00%	0	0.00%	0	0.00%
14	45	0	0.00%	2	4.44%	0	0.00%
15	45	0	0.00%	2	4.44%	34	75.56%
16	45	1	2.22%	2	4.44%	0	0.00%
17	45	0	0.00%	3	6.67%	0	0.00%
18	45	1	2.22%	1	2.22%	0	0.00%
19	45	1	2.22%	0	0.00%	0	0.00%
20	45	1	2.22%	0	0.00%	0	0.00%
21	45	0	0.00%	0	0.00%	0	0.00%
22	45	0	0.00%	1	2.22%	0	0.00%
23	45	1	2.22%	2	4.44%	0	0.00%
24	45	0	0.00%	2	4.44%	0	0.00%
25	45	0	0.00%	0	0.00%	0	0.00%
26	45	0	0.00%	0	0.00%	0	0.00%
27	45	2	4.44%	2	4.44%	0	0.00%
28	45	0	0.00%	2	4.44%	0	0.00%
29	32	0	0.00%	0	0.00%	0	0.00%
30	32	0	0.00%	0	0.00%	0	0.00%
31	32	0	0.00%	0	0.00%	0	0.00%
<b>Total Errors</b>		<b>8</b>		<b>35</b>		<b>130</b>	
<b>Error Rate</b>		<b>1%</b>		<b>3%</b>		<b>10%</b>	

**Auditor’s Response to Agency Comments**

We provided our draft report to MCC on October 17, 2019, and on October 23, 2019, received its response, which is included as Appendix C. The report include two 2 recommendations. MCC concurred with our recommendations.

## Appendix A - Objectives, Scope and Methodology

### Objectives

The objectives of the audit of the MCC's compliance with the DATA Act audit were to assess the (1) completeness, timeliness, accuracy, and quality of the MCC's FY 2019 first quarter financial and award data submitted to Treasury for publication on USASpending.gov and (2) MCC's implementation and use of the governmentwide financial data standards established by OMB and Treasury.

### Scope

The scope of this engagement is the MCC's FY 2019 first quarter financial and award data submitted for publication on USASpending.gov. Work performed was in accordance with generally accepted government auditing standards, relevant DATA Act guidance and policies issued by the GAO, OMB, and CIGIE, including the *Inspectors General Guide to Compliance under the DATA Act*, dated February 14, 2019.

The scope includes examining DATA Act information reported in the MCC's FY 2019 first quarter financial and award data files listed below, as applicable:

- File A: Appropriations Account,
- File B: Object Class and Program Activity,
- File C: Award Financial,
- File D1: Award (Procurement)
- File D2: Award (Financial Assistance),
- File E: Additional Awardee Attributes, and
- File F: Sub-award Attributes.

Files A, B, and C are submitted by the federal agency's internal financial system(s). Files A and B are summary-level financial data. File C is reportable award-level data. Files D1 through F contain detailed demographic information for award-level records reported in File C. Files D1 through F are submitted by external award reporting systems to Treasury's DATA Act Broker. The senior accountable official for the MCC is required to certify these seven data files for its agency's financial and award data to be published on USASpending.gov.

### Testing Methodology

To accomplish our objectives, we:

- obtained an understanding of any regulatory criteria related to the MCC's responsibilities to report financial and award data under the DATA Act. (See Appendix C - List of Criteria);
- assessed 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;
- assessed internal controls over financial reporting for the DATA Act;
- reviewed and reconciled the FY 2019, first quarter summary-level data submitted by the MCC for publication on USASpending.gov;
- assessed the MCC's implementation and use of the 57 data elements/standards established by OMB and Treasury; and
- assessed the completeness, timeliness, accuracy, and quality of the financial and award data sampled; this included testing the MCC's submission of Files A through D.

To test the MCC's DATA Act submission of Files A through D, we:

- reviewed the MCC's certification and submission process,
- determined the timeliness of the MCC's submission,
- determined completeness of summary level data for Files A and B,
- determine whether File C is complete and suitable for sampling,
- selected and examined a statistically valid sample of 31 records from a population of 35 total records in the MCC's FY 2019 first quarter certified spending data reported in File C,
- tested detailed record-level linkages for Files C and D,
- tested detailed record-level data elements for Files C and D for completeness, accuracy, timeliness, and quality, and
- analyzed results.

## Appendix B - Criteria

During our audit, we obtained an understanding of the following criteria as applicable to the MCC.

Criteria Title	
1	Digital Accountability and Transparency Act of 2014
2	Federal Funding Accountability and Transparency Act of 2006
3	The Federal Financial Management Improvement Act of 1996
4	The Federal Managers' Financial Integrity Act of 1982
5	OMB Circular No. A-123
6	OMB Circular No. A-123, Appendix A
7	OMB 's Management Procedures Memorandum No. 2016-03
8	OMB M-17-04 Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring DATA Reliability
9	OMB M 10-06, Open Government Directive
10	OMB's Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies
11	OMB: Open Government Directive – Framework for the Quality of Federal Spending Information
12	DATA Act Information Model Schema (DAIMS) v 1.3 (includes Reporting Submission Specification & Interface Definition Document)
13	DAIMS v 1.3 Practices and Procedures
14	The DATA Act Online Data Dictionary
15	The Data Exchange Standard
16	Data Quality Playbook
17	Federal Spending Transparency Data Standards
18	DATA Act Broker Validation Rules
19	DATA Act Broker Submission Practices and Procedures
20	U. S. Digital Services Playbook
21	GAO Financial Audit Manual, Volumes 1, 2, and 3
22	Government Auditing Standards
23	Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006

# Appendix C – Management Response



DATE: October 23, 2019

TO: Alvin Brown  
Deputy Assistant Inspector General for Audit  
Office of Inspector General  
United States Agency for International Development  
Millennium Challenge Corporation

FROM: Ken Jackson /s/  
Vice President and Chief Financial Officer  
Department of Administration and Finance  
Millennium Challenge Corporation

**KENNETH S JACKSON**  
 (affiliate)
   
Digitally signed by  
KENNETH S  
JACKSON (affiliate)  
Date: 2019.10.24  
09:52:11 -04'00'

SUBJECT: MCC’s Management Response to the Draft Report, “MCC Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014,” dated October 17, 2019

The Millennium Challenge Corporation (MCC) appreciates the opportunity to review the draft report on the Office of Inspector General (OIG)’s audit, “MCC Complied in Fiscal Year 2019 With the Digital Accountability and Transparency Act of 2014,” dated October 17, 2019. MCC concurs with the conclusion of the report and deemed the report constructive in helping to validate the agency’s compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act).

The report identified two recommendations as part of the audit. Accordingly, MCC provides their response below.

**Recommendation #1** – Develop and implement procedures to validate the completeness and accuracy of data reported and ensure timely entries of data into Federal Procurement Data System – Next Generation.

**MCC Management Response** – MCC concurs with the recommendation. MCC will develop and implement procedures to validate data and ensure timely data entry into the Federal Procurement Data System – Next Generation (FPDS-NG) by expanding internal existing Quality Assurance reviews and processes. MCC will complete the task no later than March 31, 2021.

**Recommendation #2** – Develop and implement a Data Quality Plan in accordance with OMB M-18-16 “Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,” June 6, 2018.

**MCC Management Response** – MCC concurs with the recommendation. MCC agrees that the agency did not have a Data Quality Plan (DQP) in place during the OIG’s testing period of Quarter One, FY 2019. However, Office of Management and Budget (OMB) Memorandum M-18-16 “Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,” requires that agencies develop and maintain a DQP effective in FY 2019. MCC utilized the Government-wide *Data Quality Playbook*, dated November 30, 2018, to develop the agency’s DQP throughout FY 2019. MCC finalized the DQP in September 2019 in compliance with OMB M-18-16. Therefore, MCC will request closure in a separate document.

If you have any questions or require additional information, please contact me at 202-521-2686 or [Jacksonks@mcc.gov](mailto:Jacksonks@mcc.gov). Additionally, you can also contact Jude Koval, Director of Internal Controls and Audit Compliance (ICAC), at 202-521-7280 or [Kovaljg@mcc.gov](mailto:Kovaljg@mcc.gov).

CC: Damian Wilson, Principal Director, OIG, USAID  
Alice Miller, Chief Risk Officer, A&F, MCC  
Adam Bethon, Deputy Chief Financial Officer, FMD, A&F, MCC  
Brian Corry, Managing Director, CGM, A&F, MCC  
Eric Redmond, Controller, FMD, A&F, MCC  
Lisa Smith-Kulley, Supervisory Contract Specialist, CGM, A&F, MCC  
Jonathan Hamlet, Supervisory Procurement Analyst, CGM, A&F, MCC  
Jude Koval, Director, ICAC, A&F, MCC

## Appendix D - MCC's Results Listed in Descending Order by Accuracy

MCC's results listed in <u>descending</u> order by Accuracy				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate		
		A	C	T
5	Legal Entity Address	29%	0%	13%
6	Legal Entity Congressional District	11%	0%	14%
14	Current Total Value of Award	11%	0%	14%
25	Action Date	10%	0%	13%
24	Parent Award ID Number	7%	0%	0%
3	Ultimate Parent Unique Identifier	6%	0%	13%
26	Period of Performance Start Date	6%	0%	0%
50	Object Class	6%	0%	0%
51	Appropriations Account	6%	0%	0%
28	Period of Performance Potential End Date	4%	0%	4%
1	Awardee/Recipient Legal Entity Name	3%	0%	13%
2	Awardee/Recipient Unique Identifier	3%	0%	13%
27	Period of Performance Current End Date	3%	0%	3%
4	Ultimate Parent Legal Entity Name	0%	0%	13%
7	Legal Entity Country Code	0%	0%	14%
8	Legal Entity Country Name	0%	0%	13%
11	Federal Action Obligation	0%	0%	13%
13	Amount of Award	0%	0%	0%
15	Potential Total Value of Award	0%	0%	0%
16	Award Type	0%	0%	0%
17	NAICS Code	0%	0%	14%
18	NAICS Description	0%	0%	14%
19	Catalog of Federal Domestic Assistance (CFDA) Number	0%	0%	0%
20	Catalog of Federal Domestic Assistance (CFDA) Title	0%	0%	0%
22	Award Description	0%	0%	0%
23	Award Modification / Amendment Number	0%	0%	14%
30	Primary Place of Performance Address	0%	0%	0%
31	Primary Place of Performance Congressional District	0%	0%	14%



MCC's results listed in <u>descending</u> order by Accuracy				
Accuracy (A), Completeness (C), Timeliness (T)				
Data Element No.	Data Element Name	Error Rate		
		A	C	T
32	Primary Place of Performance Country Code	0%	0%	13%
33	Primary Place of Performance Country Name	0%	0%	13%
34	Award ID Number (PIID/FAIN)	0%	0%	13%
35	Record Type	0%	0%	0%
36	Action Type	0%	3%	13%
37	Business Types	0%	0%	0%
38	Funding Agency Name	0%	0%	13%
39	Funding Agency Code	0%	0%	13%
40	Funding Sub Tier Agency Name	0%	0%	13%
41	Funding Sub Tier Agency Code	0%	0%	13%
42	Funding Office Name	0%	0%	13%
43	Funding Office Code	0%	0%	13%
44	Awarding Agency Name	0%	0%	13%
45	Awarding Agency Code	0%	0%	13%
46	Awarding Sub Tier Agency Name	0%	0%	13%
47	Awarding Sub Tier Agency Code	0%	0%	13%
48	Awarding Office Name	0%	0%	13%
49	Awarding Office Code	0%	0%	13%
53	Obligation	0%	0%	0%
56	Program Activity	0%	23%	0%
12	Non-Federal Funding Amount	n/a	n/a	n/a
29	Ordering Period End Date	n/a	n/a	n/a

## Appendix E - Table of Error Rates

Data Elements	C-A-T	D1 PIID Errors	D2 FAIN Errors	Total Errors	D1 FILE DE applicable records	D2 FILE DE applicable records	Total applicable records	Error Rate by DE
DE 24	C	0	n/a	0	28	n/a	28	0%
DE 24	A	2	n/a	2	28	n/a	28	7%
DE 24	T	0	n/a	0	28	n/a	28	0%
DE 34	C	0	0	0	28	3	31	0%
DE 34	A	0	0	0	28	3	31	0%
DE 50	A	2	0	2	28	3	31	6%
DE 50	T	0	0	0	28	3	31	0%
DE 51	C	0	0	0	28	3	31	0%
DE 51	A	2	0	2	28	3	31	6%
DE 51	T	0	0	0	28	3	31	0%
DE 53	A	0	0	0	28	3	31	0%
DE 53	T	0	0	0	28	3	31	0%
DE 56	C	7	0	7	28	3	31	23%
DE 56	A	0	0	0	28	3	31	0%
DE 56	T	0	0	0	28	3	31	0%
DE 1	C	0	0	0	28	3	31	0%
DE 1	A	1	0	1	28	3	31	3%
DE 1	T	4	0	4	28	3	31	13%
DE 2	C	0	0	0	28	3	31	0%
DE 2	A	1	0	1	28	3	31	3%
DE 2	T	4	0	4	28	3	31	13%
DE 3	C	0	0	0	28	3	31	0%
DE 3	A	2	0	2	28	3	31	6%
DE 3	T	4	0	4	28	3	31	13%
DE 4	C	0	0	0	28	3	31	0%
DE 4	A	0	0	0	28	3	31	0%
DE 4	T	4	0	4	28	3	31	13%
DE 5	C	0	0	0	28	3	31	0%
DE 5	A	9	0	9	28	3	31	29%
DE 5	T	4	0	4	28	3	31	13%
DE 6	C	0	0	0	28	n/a	28	0%
DE 6	A	3	0	3	28	n/a	28	11%
DE 6	T	4	0	4	28	n/a	28	14%
DE 7	C	0	0	0	28	n/a	28	0%
DE 7	A	0	0	0	28	n/a	28	0%
DE 7	T	4	0	4	28	n/a	28	14%
DE 8	C	0	0	0	28	3	31	0%
DE 8	A	0	0	0	28	3	31	0%
DE 8	T	4	0	4	28	3	31	13%
DE 11	C	0	0	0	28	3	31	0%
DE 11	A	0	0	0	28	3	31	0%
DE 11	T	4	0	4	28	3	31	13%
DE 13	C	0	0	0	n/a	3	3	0%

Data Elements	C-A-T	D1 PIID Errors	D2 FAIN Errors	Total Errors	D1 FILE DE applicable records	D2 FILE DE applicable records	Total applicable records	Error Rate by DE
DE 13	A	0	0	0	n/a	3	3	0%
DE 13	T	0	0	0	n/a	3	3	0%
DE 14	C	0	0	0	28	n/a	28	0%
DE 14	A	3	0	3	28	n/a	28	11%
DE 14	T	4	0	4	28	n/a	28	14%
DE 15	C	0	n/a	0	28	n/a	28	0%
DE 15	A	0	n/a	0	28	n/a	28	0%
DE 15	T	0	n/a	0	28	n/a	28	0%
DE 16	C	0	0	0	28	n/a	28	0%
DE 16	A	0	0	0	28	n/a	28	0%
DE 16	T	4	0	4	28	n/a	28	14%
DE 17	C	0	n/a	0	28	n/a	28	0%
DE 17	A	0	n/a	0	28	n/a	28	0%
DE 17	T	4	n/a	4	28	n/a	28	14%
DE 18	C	0	n/a	0	28	n/a	28	0%
DE 18	A	0	n/a	0	28	n/a	28	0%
DE 18	T	4	n/a	4	28	n/a	28	14%
DE 19	C	0	0	0	n/a	3	3	0%
DE 19	A	0	0	0	n/a	3	3	0%
DE 19	T	0	0	0	n/a	3	3	0%
DE 20	C	0	0	0	n/a	3	3	0%
DE 20	A	0	0	0	n/a	3	3	0%
DE 20	T	0	0	0	n/a	3	3	0%
DE 22	C	0	0	0	28	3	31	0%
DE 22	A	0	0	0	28	3	31	0%
DE 22	T	0	0	0	28	3	31	0%
DE 23	C	0	0	0	28	n/a	28	0%
DE 23	A	0	0	0	28	n/a	28	0%
DE 23	T	4	0	4	28	n/a	28	14%
DE 24	C	0	0	0	28	n/a	28	0%
DE 24	A	2	0	2	28	n/a	28	7%
DE 24	T	0	0	0	28	n/a	28	0%
DE 25	C	0	0	0	28	3	31	0%
DE 25	A	3	0	3	28	3	31	10%
DE 25	T	4	0	4	28	3	31	13%
DE 26	C	0	0	0	28	3	31	0%
DE 26	A	2	0	2	28	3	31	6%
DE 26	T	0	0	0	28	3	31	0%
DE 27	C	0	0	0	28	3	31	0%
DE 27	A	1	0	1	28	3	31	3%
DE 27	T	1	0	1	28	3	31	3%
DE 28	C	0	0	0	28	n/a	28	0%
DE 28	A	1	0	1	28	n/a	28	4%
DE 28	T	1	0	1	28	n/a	28	4%
DE 29	C	0	0	0	n/a	n/a	0	n/a

Data Elements	C-A-T	D1 PIID Errors	D2 FAIN Errors	Total Errors	D1 FILE DE applicable records	D2 FILE DE applicable records	Total applicable records	Error Rate by DE
DE 29	A	0	0	0	n/a	n/a	0	n/a
DE 29	T	0	0	0	n/a	n/a	0	n/a
DE 30	C	0	0	0	28	n/a	28	0%
DE 30	A	0	0	0	28	n/a	28	0%
DE 30	T	0	0	0	28	n/a	28	0%
DE 31	C	0	0	0	28	n/a	28	0%
DE 31	A	0	0	0	28	n/a	28	0%
DE 31	T	4	0	4	28	n/a	28	14%
DE 32	C	0	0	0	28	3	31	0%
DE 32	A	0	0	0	28	3	31	0%
DE 32	T	4	0	4	28	3	31	13%
DE 33	C	0	0	0	28	3	31	0%
DE 33	A	0	0	0	28	3	31	0%
DE 33	T	4	0	4	28	3	31	13%
DE 34	C	0	0	0	28	3	31	0%
DE 34	A	0	0	0	28	3	31	0%
DE 34	T	4	0	4	28	3	31	13%
DE 35	C	0	0	0	n/a	3	3	0%
DE 35	A	0	0	0	n/a	3	3	0%
DE 35	T	0	0	0	n/a	3	3	0%
DE 36	C	1	0	1	28	3	31	3%
DE 36	A	0	0	0	28	3	31	0%
DE 36	T	4	0	4	28	3	31	13%
DE 37	C	0	0	0	n/a	3	3	0%
DE 37	A	0	0	0	n/a	3	3	0%
DE 37	T	0	0	0	n/a	3	3	0%
DE 38	C	0	0	0	28	3	31	0%
DE 38	A	0	0	0	28	3	31	0%
DE 38	T	4	0	4	28	3	31	13%
DE 39	C	0	0	0	28	3	31	0%
DE 39	A	0	0	0	28	3	31	0%
DE 39	T	4	0	4	28	3	31	13%
DE 40	C	0	0	0	28	3	31	0%
DE 40	A	0	0	0	28	3	31	0%
DE 40	T	4	0	4	28	3	31	13%
DE 41	C	0	0	0	28	3	31	0%
DE 41	A	0	0	0	28	3	31	0%
DE 41	T	4	0	4	28	3	31	13%
DE 42	C	0	0	0	28	3	31	0%
DE 42	A	0	0	0	28	3	31	0%
DE 42	T	4	0	4	28	3	31	13%
DE 43	C	0	0	0	28	3	31	0%
DE 43	A	0	0	0	28	3	31	0%
DE 43	T	4	0	4	28	3	31	13%
DE 44	C	0	0	0	28	3	31	0%

Data Elements	C-A-T	D1 PIID Errors	D2 FAIN Errors	Total Errors	D1 FILE DE applicable records	D2 FILE DE applicable records	Total applicable records	Error Rate by DE
DE 44	A	0	0	0	28	3	31	0%
DE 44	T	4	0	4	28	3	31	13%
DE 45	C	0	0	0	28	3	31	0%
DE 45	A	0	0	0	28	3	31	0%
DE 45	T	4	0	4	28	3	31	13%
DE 46	C	0	0	0	28	3	31	0%
DE 46	A	0	0	0	28	3	31	0%
DE 46	T	4	0	4	28	3	31	13%
DE 47	C	0	0	0	28	3	31	0%
DE 47	A	0	0	0	28	3	31	0%
DE 47	T	4	0	4	28	3	31	13%
DE 48	C	0	0	0	28	3	31	0%
DE 48	A	0	0	0	28	3	31	0%
DE 48	T	4	0	4	28	3	31	13%
DE 49	C	0	0	0	28	3	31	0%
DE 49	A	0	0	0	28	3	31	0%
DE 49	T	4	0	4	28	3	31	13%

## Appendix F - CIGIE's DATA Act Anomaly Letter



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

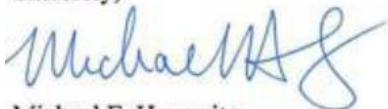
intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

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 G - Glossary of Abbreviations and Acronyms

<b>CIGIE</b>	The Council of the Inspectors General on Integrity and Efficiency
<b>Civil Penalty Fund</b>	Consumer Financial Civil Penalty Fund
<b>DAIMS</b>	DATA Act Information Model Schema
<b>DATA Act</b>	The Digital Accountability and Transparency Act of 2014
<b>Data Elements</b>	Data definition standards
<b>DQP</b>	Data Quality Plan
<b>FAEC</b>	Federal Audit Executive Council
<b>FFATA</b>	Federal Funding Accountability and Transparency Act of 2006
<b>FY</b>	Fiscal Year
<b>GAO</b>	Government Accountability Office
<b>IDD</b>	Interface Definition Document
<b>MCC</b>	Millennium Challenge Corporation
<b>OMB</b>	Office of Management and Budget
<b>RSS</b>	Reporting Submission Specification
<b>Treasury</b>	The United States Department of the Treasury