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Description of document: Council of the Inspectors General on Integrity and Efficiency (CIGIE) Data Act Readiness Review Guide 2016

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## COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

December 22, 2022

Subject: CIGIE Freedom of Information/Privacy Act Request 6330-2023-17

This letter serves as the final response to your Freedom of Information Act (FOIA) request, received on December 20, 2022. You originally filed the request with the Department of Treasury's Office of Inspector General, on November 16, 2022, seeking a copy of the most recent "Readiness Review Guide." The receiving agency referred the request to the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Upon receipt, this request was assigned FOIA case number 6330-2023-17.

The responsive record in question is entitled, "Data Act Readiness Review Guide Version 2.0" and is dated June 2, 2016 (hereinafter, "the Guide"). After conducting a search, CIGIE's FOIA Staff noted that the Guide is referenced repeatedly in other Inspector General reports that are publicly available and yet, the Guide itself was not publicly available. After consulting with subject matter experts, CIGIE has decided to release the Guide without any redactions.

If you have questions about this response, you may contact me at my direct phone number (202) 478-8265. You may also send an email to [FOIASTAFF@cigie.gov](mailto:FOIASTAFF@cigie.gov). Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services  
National Archives and Records Administration  
8601 Adelphi Road-OGIS  
College Park, Maryland 20740-6001  
[ogis@nara.gov](mailto:ogis@nara.gov)  
(202) 741-5770  
(877) 684-6448 (toll free)  
(202) 741-5769 (facsimile)

A requester may appeal a determination denying a FOIA request in any respect to the CIGIE Chairperson c/o Office of General Counsel, Council of the Inspectors General on

Integrity and Efficiency, 1717 H Street NW, Suite 825, Washington, DC 20006. The appeal must be in writing, and must be submitted either by:

- (1) Regular mail sent to the address listed in this subsection, above; or
- (2) By fax sent to the FOIA Officer at (202) 254-0162; or
- (3) By email to [FOIAAPPEAL@cigie.gov](mailto:FOIAAPPEAL@cigie.gov).

Your appeal must be received within 90 days of the date of this letter. The outside of the envelope should be clearly marked "FOIA APPEAL."

Sincerely,

**Elizabeth Sweetland**  
Digitally signed by  
Elizabeth Sweetland  
Date: 2022.12.22  
11:12:12 -05'00'

Elizabeth Sweetland  
Senior Assistant General Counsel  
FOIA Public Liaison

Enclosure: as

# FAEC Data Act Working Group



## Data Act Readiness Review

### Guide

Version 2.0

June 02, 2016

## I. INTRODUCTION

### A. BACKGROUND

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014 and, among other things, requires that Federal agencies report financial and payment data in accordance with data standards established by the Department of Treasury (Treasury) and the Office of Management and Budget (OMB). The data reported will be displayed on a website available to taxpayers and policy makers. In addition, the DATA Act requires that agency Inspectors General (IGs) review statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, timeliness, quality and accuracy of the data sampled and the use of the data standards by the agency.

The DATA Act provides for this oversight by way of the IGs and the Comptroller General of the United States. That is, the Act requires a series of oversight reports to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted. Specifically, the first set of IG reports are due to Congress in November 2016. However, agencies are not required to submit spending data in compliance with the Act until May 2017. As a result, the IGs will not be able to report on the spending data submitted under the Act, as this data will not exist until the following year.

Nonetheless, the Federal accountability community is committed to early oversight of the DATA Act implementation. To that end, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) developed an approach to address the reporting date anomaly while maintaining early engagement with the agencies. In this regard, the IGs plan to provide Congress with their first required reports in November 2017, a 1-year delay from the due date in the statute, with subsequent reports following on a 2-year cycle, in November 2019 and November 2021. We believe that moving the due dates back 1 year will enable the IGs to meet the intent of the oversight provisions in the DATA Act and provide useful reports for Congress, the public, and others. To manage stakeholder expectations regarding the IGs compliance to the DATA Act we suggest including the following standard statement in work products issued in response to the Act.

*The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the Digital Accountability and Transparency Act of 2014 (DATA Act). That is, the first Inspector General (IG) reports are due to Congress in November 2016; however, Federal agencies are not required to report spending data until May 2017. To address this reporting date anomaly, the IGs plan to provide Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with subsequent reports following on a 2-year cycle. Although CIGIE determined the best course of action was to delay the IG reports, CIGIE is encouraging IGs to undertake DATA Act "Readiness Reviews" at their respective agencies well in advance of the first November 2017 report. On December 22, 2015, CIGIE's chair issued a letter memorializing the strategy for dealing with the IG reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform. Appendix 1 contains a copy of this letter.*

The IG community, through the Federal Audit Executive Council (FAEC) stood up the FAEC Data Act Working Group (Working Group). On December 03, 2015, the Working Group issued the DATA Act Readiness Review Guide (version 1.0) to assist agencies in their readiness reviews. That guide concentrated on steps 1 through 4 of the “Agency 8-Step Plan” as described in the *DATA Act Implementation Playbook (version 1.0)*.<sup>1</sup> This iteration of the readiness review guide includes:

- Review procedures to address steps 5 through 8 of the “Agency 8-Step Plan”;
- Appendix 1 - CIGIE’s letter to Congress addressing the timing anomaly;
- Appendix 2 - additional review procedures for agencies that are financial management Federal Shared Service Providers (FSSP)<sup>2</sup> and/or their customers to consider; and
- Appendix 3 - additional criteria and useful information in applying this guide.

We believe that these reviews, in addition to the requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation efforts. Please note that this review template herein is intended to be suggested guidance that can be utilized by any agency Office of Inspector (OIG). Accordingly, some review steps may not be applicable to your agency and/or may need to be adjusted based on the needs of the respective OIG and agency.

## **B. REVIEW OBJECTIVES**

The objective of the readiness review is to gain an understanding of the processes, systems and controls which [*insert Agency Name*] has implemented, or plans to implement, to report Federal agency expenditures and linking Federal contract, loan, and grant spending information in accordance with the requirements of the DATA Act. This understanding is necessary for the IG to develop an informed methodology for the future IG reviews required by the DATA Act. In addition, the results of this review will enable the IG to provide recommendations on how to improve the likelihood of compliance with the requirements of the DATA Act prior to full implementation.

## **C. SCOPE AND METHODOLOGY**

To accomplish the objectives of the review, the engagement team plans to:

- Obtain an understanding of the laws, legislation, directives, and any other regulatory criteria (and guidance) related to [*insert Agency Name*]’s responsibilities to report financial and payment information under the DATA Act.
- Obtain an understanding of the [*insert Agency Name*] governance structure, processes, and controls planned and/or established by conducting interviews with the [*insert Agency Name*] DATA Act working groups responsible for the implementation of the DATA Act at the agency-level, to include the Senior Accountable Official (SAO).

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<sup>1</sup> On May 8, 2015, Treasury released the DATA Act Implementation Playbook. This Playbook describes eight key steps that, if followed together, should help agencies leverage existing capabilities to drive implementation of the DATA Act. See *Attachment A – DATA Act Implementation Plan Step-by-Step Checklist*, supplementing this review guide, which describes a series of checklists for each implementation step that can be utilized by agencies as appropriate.

<sup>2</sup> OMB and Treasury have designated the Administrative Resource Center (US Department of the Treasury), Enterprise Services Center (US Department of Transportation), Interior Business Center (US Department of the Interior), and the National Finance Center (US Department of Agriculture) as the FSSPs for financial services.

- As applicable, obtain an understanding of the [insert Agency Name] [insert FSSP Name]’s governance structure, processes, and controls planned and/or established by conducting interviews with the [insert Agency Name]’s overall DATA Act working group and the [insert FSSP Name] working groups responsible for implementation of the DATA Act on behalf of its customers.
- Identify the major reporting components within the agency responsible for implementation of the DATA Act.
- Assess [insert Agency Name]’s efforts and formal implementation plans (at the agency and component levels) to report financial and payment information under the DATA Act.

#### **D. REPORTING RESULTS OF THIS REVIEW**

As the main objectives of the readiness review are to assess whether [insert Agency Name] DATA Act implementation plan or process is on track to meet the requirements of the DATA Act, and to provide [insert Agency Name] recommendations on how to improve the entities likelihood of compliance with the requirements of the DATA Act prior to full implementation, the results of the review should be reported to [insert Agency Name] Management and other appropriate parties at the discretion of each IG. Each IG should produce a report in accordance with their standard reporting process. However, the report should at least include the following:

- Overall assessment of the [insert Agency Name]’s Data Act Implementation Plan/Process (based on the *DATA Act Implementation Playbook (version 1.0)*, issued by OMB & Treasury);
- Overall assessment of the [insert FSSP Name]’s Data Act Implementation Plan/Process on behalf of its customers;
- Overall assessment of the [insert Agency Name]’s DATA Act readiness for the future IG reviews required by the Act;
- List of areas of concerns or issues identified; and
- Suggestions for [insert Agency Name]’s Management considerations.

The primary criteria for this readiness review are OMB’s M-15-12 and Treasury’s *DATA Act Implementation Playbook (version 1.0)*, issued concurrently to agencies in June 2015. See Appendix 3 for a listing of additional criteria to consider. The *DATA Act Implementation Playbook* consists of the following “Agency 8-Step Plan”:

8-Steps for Agencies	Timeline
<b>1) Organize team</b> 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
<b>2) Review elements</b> Review list of DATA Act elements and participate in data definitions standardization	By spring 2015
<b>3) Inventory data</b> Perform inventory of Agency data and associated business processes	February 2015 – September 2015
<b>4) Design &amp; strategize</b> 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
<b>5) Execute broker</b> 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
<b>6) Test broker implementation</b> Test broker outputs to ensure data are valid iteratively	October 2015 – February 2016
<b>7) Update systems</b> Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)	October 2015 – February 2017
<b>8) Submit data</b> Update and refine process (repeat 5-7 as needed)	March 2016 – May 9, 2017

**Note:** agencies using this template should ensure that the latest version of the *Agency 8-Step Plan* is used for its review.

This review program covers steps 1 through 8 of the Agency 8-Step Plan. OIGs will assesses the status of [insert Agency Name]’s, and as applicable [insert FSSP Name]’s, implementation efforts as of [Month xx, 201x]. Readiness reviews should be conducted in accordance with the standards deemed appropriate by each OIG.

**II. REVIEW PROGRAM STEPS (Specific Review Objectives and Procedures)**

This section provides the guidance/review steps necessary to address the review objectives.

Review Objective: To gain an understanding of the processes, systems and controls which [insert Agency Name], and as applicable [insert FSSP Name], has implemented or plans to implement to report financial and payment data in accordance with the requirements of the DATA Act. This understanding is necessary for us to develop an efficient and effective methodology for future IG audits required by the DATA Act. In addition, the results of this review will enable OIGs to provide recommendations on how to improve the entities likelihood of compliance with the requirements of the DATA Act prior to full implementation.



**II.1.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

**Suggested Criteria and Best Practices:** DATA Act Implementation Playbook 8-Step Agency Implementation Plan, OMB’s M-15-12, M-10-06, and Management Procedures Memorandum No. 2016-03. Additionally, project management best practices as described in the Project Management Institute’s: *A Guide to the Project Management Body of Knowledge*, and GAO’s Software Development: *Effective Practices and Federal Challenges in Applying Agile Methods* (GAO-12-681).

**Step 1: Form Agency DATA Act Work Group**

The goal in this step is to organize the DATA Act implementation team. Agencies are required to identify a SAO. The SAO is responsible for their agency’s implementation of the DATA Act, which includes closely overseeing the governance and progress.

Each agency will also create a DATA Act workgroup that includes members across the organization, such as budget, accounting, grants, procurement, loans, and information technology.

**Risk(s):** The [insert Agency Name] DATA Act workgroups and subgroups have not been formally adopted and/or do not consist of an SAO, Subject Matter Expert (SME) or necessary personnel that can successfully implement the requirements of the DATA Act, or an Agency DATA Act working group was not established. If applicable, the FSSP is not effectively communicating with its customers and the DATA Act workgroups of [insert Agency Name].

**Objective(s):** Ensure the DATA Act workgroup consists of a SAO; knowledgeable SMEs that increase the likelihood that the requirements of the DATA Act will be successfully implemented; and senior management that can drive change for each major reporting component.

<b><i>Review Step Description</i></b>	<b><i>Working paper Reference</i></b>	<b><i>Comments</i></b>
<p><i>II.1.PS – Determine if a SAO has been identified and a DATA Act workgroup has been formed for the agency and if applicable, each major reporting component within the agency, as appropriate.</i></p> <p><b>8-Step Agency Implementation Plan (Step 1)</b></p>		<p>(See) <b>Attachment B – Example of a DATA Act Governance Structure Exhibit – Dept. of Education</b></p>
<p><b>II.1.A – General Governance Structure</b></p> <p>1. Document an understanding of the governance structure that the agency has established to manage the implementation of the DATA Act (e.g., SAO, working group, project manager/liaison, executive board or council, etc.) and whether permanent governance will be established.</p>		<p>Ensure the Agency DATA Act workgroup consists of SMEs or personnel that can successfully implement the requirements of the DATA Act.</p>

<ol style="list-style-type: none"> <li>2. Evaluate how the agency determined which components are required to report payment and financial data under the DATA Act.</li> <li>3. Identify components the agency determined are not required to report under the DATA Act and evaluate the reasonableness of those decisions based on OMB and Treasury guidance (if applicable).</li> <li>4. Determine whether this governance structure has been formally documented and requisite authorities granted via approved mission statement(s).</li> <li>5. Determine if the structure established is sufficient to facilitate the successful implementation of the DATA Act, including: <ol style="list-style-type: none"> <li>a. Vests authority at an appropriate level of management.</li> <li>b. Formally defines the roles and responsibilities of the working group members and implementation personnel.</li> <li>c. Has identified and covers all requisite components required to report under the DATA Act (and/or provides a supportable explanation for those components that are not required to report).</li> <li>d. Provides a mechanism for engagement with key stakeholders (such as Federal Shared Service Providers, agencies with similar business lines or systems, and the Agency IG).</li> <li>e. Has established an effective project management process to manage the project, its component work streams, and project risk(s).</li> <li>f. Provides for frequent, documented monitoring of project progress (e.g., meetings, workshops, progress reviews, etc.)</li> <li>g. Provides for the formal documentation and communication of key decisions.</li> <li>h. Provides a mechanism for effective communication with Treasury and OMB.</li> <li>i. Provides a mechanism for two-way communication to its FSSP DATA Act subgroup, as applicable. <b>NOTE:</b> If the Agency is a shared service provider or customer, additional readiness review procedures are included in Appendix 2.</li> </ol> </li> </ol>		
<p>II.1.B – <b>Senior Accountable Official (SAO)</b></p> <ol style="list-style-type: none"> <li>1. For the agency and each major reporting component, ensure a SAO has been identified in accordance with OMB M-15-12 and M-10-06. Additionally, a DATA Act</li> </ol>		<p>Ensure a SAO has been identified and has the</p>

<p>working group has been formed by spring 2015 in accordance with the <i>8-Step Agency Implementation Plan</i>.</p> <ol style="list-style-type: none"> <li>2. Determine the agency’s understanding of the roles and responsibilities of the SAO and compare that understanding to that of Treasury and OMB guidance (DATA Act Implementation Playbook 8-Step Agency Implementation Plan, OMB M-15-12, and M-10-06).       <ol style="list-style-type: none"> <li>a. Ensure the SAO is an executive officer with the authority to manage the implementation of the DATA Act across multiple components and Federal spending communities (e.g., CFO, DCFO, etc.).</li> </ol> </li> <li>3. Ensure that the SAO is identified on Max.gov (the SAO List spreadsheet) to ensure Treasury and OMB are aware of the delegation.</li> <li>4. Review the SAO conference call notes on Max.gov to see if the SAO regularly participates in implementation meetings with Treasury and OMB. If not, determine, if there are other effective ways with which the SAO interacts and communicates with Treasury and OMB.</li> </ol> <p><b><u>Agency DATA Act Working Group</u></b></p> <ol style="list-style-type: none"> <li>5. For the agency and each major reporting component, obtain a list of members of the DATA Act workgroups and ensure the lists have the members’ titles/positions, departments, etc. For each member listed, obtain relevant information (e.g. job description, resume, etc.) and select a sample of group members to interview in order to:       <ol style="list-style-type: none"> <li>a. Ensure that the workgroups are composed of members with the diverse skillsets and technical experience needed to successfully implement the DATA Act (for example, members across the organization from budget, accounting, grants, procurements, loans, and information technology [system architects, IT developers, and security officers]).</li> <li>b. As prescribed in the <i>DATA Act Implementation Playbook (version 1.0)</i>, ensure the workgroup members, taken as a whole, are SMEs with strong experience in designing and creating the infrastructure of agency business and IT solutions used for processing, documenting, and reporting Federal spending. For example the workgroup members should regularly lead the:</li> </ol> </li> </ol>		<p>authority to oversee the governance and progress of the work group and DATA Act implementation.</p> <p>Assess each members’ roles, responsibilities, authority, experience, area of expertise, past work on similar initiatives, ability to affect change, availability to commit to the initiative, project management abilities, etc.</p>
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<ul style="list-style-type: none"> <li>• Design, creation, and execution of business transformation vision, strategies, and initiatives;</li> <li>• Design and creation of the business architecture, while anticipating and taking into account inter-relationships between business organizations and regulations, policies, and rules;</li> <li>• Design, creation, and execution of strategies and initiatives, while anticipating inter-relationships between business organizations and regulations, policies, and rules.</li> </ul>		
<p><b>II.1.C - Agency DATA Act Working Group's Governance</b></p> <p><b>Activities</b></p> <ol style="list-style-type: none"> <li>1. Obtain a sample of documentation of DATA Act governance activities at the agency and component level (e.g., minutes of working group meetings, status reports, issuances, etc.) and review these documents to determine whether: <ol style="list-style-type: none"> <li>a. Progress of the project is being regularly monitored and/or reviewed, statuses reflected agree to the underlying project management documents and major concerns are promptly identified and addressed.</li> <li>b. Project status reports reflect that all requisite components required to report under the DATA Act and key stakeholders (such as FSSP's) are being tracked, monitored, and completed within established timeframes.</li> <li>c. Activities and key decisions of the governance structure are being appropriately documented and carried out.</li> <li>d. Communication with the stakeholders, including Treasury and OMB occur regularly and are being appropriately documented.</li> </ol> </li> <li>2. Analyze the documentation of governance activities, taken as a whole, to determine whether they indicate the presence of material risks (identified or unidentified) to the successful, timely completion of the agencies DATA Act implementation efforts have been identified and remediation plans have been established or if there are indications of unidentified or potential risks.</li> </ol>		

<p><b>II.1.D – Status Tracking</b></p> <ol style="list-style-type: none"> <li>1. Review the overarching progress tracking mechanism(s) to govern the project and determine: <ol style="list-style-type: none"> <li>a. Whether the mechanism(s), taken as a whole, monitors and adequately and appropriately tracks progress/status against project milestones and due dates for all material workstreams identified in the comprehensive implementation plan..</li> <li>b. If the progress/status reported is consistent with summary progress/status data presented to the SAO and DATA Act Working Group (Relate to Review Step II.1.C - 1 a.).</li> <li>c. If the agency’s implementation efforts are meeting established project milestones.</li> <li>d. For any material missed milestones or target dates, investigate the reasons, determine whether they were properly addressed by the SAO and DATA Act Working Group, and assess their impact on the overall success of the DATA Act Implementation (II.1.C.2).</li> </ol> </li>   <li>2. For a sample of workstreams shown as complete on the implementation plan or pilot program progress tracking documentation, obtain documentation of the finished product (except for testing which is covered in step II.6.A below). Determine that: <ol style="list-style-type: none"> <li>a. It is, in fact, complete and that the resulting product is consistent with the objective of the workstream.</li> </ol> </li> </ol>		
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**II.2.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

Suggested Criteria and Best Practices: DATA Act Implementation Playbook 8-Step Agency Implementation Plan, Federal Spending Transparency Data Standards

*Step 2: Review List of Elements and Participate in Data Standardization Process (By Spring 2015)*

The goals of this step are to review the data elements and participate in the data element standardization process.

Risk(s): [insert Agency Name] did not [review] understand the DATA Act elements and may not properly report or correctly determine how the elements are related to [insert Agency Name]’s financial, procurement, grants, and loans systems, and its business operations. The [Insert Agency Name] may not correctly assess the impact of reporting the data element on its implementation plans or systems. The [Insert Agency Name] may also not consider current USAspending.gov data elements as required by the Federal Funding Accountability and Transparency Act [FFATA]. If applicable, the [Insert FSSP Name] did

not [review] understand the DATA Act elements and may not properly report or correctly determine how the elements are used on behalf of its customers.

**Objective(s):** Ensure each reporting component reviewed the finalized DATA Act elements and understand how the elements are defined and how they are related to the agency’s business operations, IT systems, and organization. Ensure the components are also considering the existing USAspending.gov elements, which also need to be captured.

<b><i>Review Step Description</i></b>	<b>Working paper Reference</b>	<b>Comments</b>
<p><i>II.2.PS – Determine if the SAO and DATA Act working group (at the agency and major reporting component) reviewed the list of DATA Act elements and definitions.</i></p> <p><b>8-Step Agency Implementation Plan (Step 2)</b></p>		<p>(See)  <b>Attachment C</b> – Final Data Element Listing as of August 31<sup>st</sup> 2015.  <b>Attachment D</b> – Crosswalk from 83 to 57 DATA Act Elements.</p>
<p><b>II.2.A – <u>Agency Review, including FSSP on behalf of its customers, as applicable</u></b></p> <ol style="list-style-type: none"> <li>1. Gain and document an understanding of the SAO and DATA Act working group’s methodology for: <ol style="list-style-type: none"> <li>a. Reviewing the data elements and definitions and communicating concerns/issues with OMB/Treasury; Ensuring the data element definitions are universally understood within the agency;</li> <li>b. Determining what data inventories are needed and which components are required to perform a data inventory and report data in accordance with the DATA Act.</li> <li>c. Determining the completeness of data inventories were identified.</li> <li>d. Ascertaining if the agency’s decisions were appropriate.</li> <li>e. Ensuring the components performed the review by the suggested deadline (February 2015 – September 2015).</li> <li>f. Addressing the impact of shared service providers for all components. <b>NOTE:</b> If the Agency is a shared service provider or customer, additional readiness review procedures are included in Appendix 2.</li> </ol> </li> </ol>		
<p><b>II.2.B – <u>Agency Feedback, including FSSP on behalf of its customers, as applicable</u></b></p>		

<ol style="list-style-type: none"> <li>1. Determine the extent to which the agency SAO and working groups participated in data standardization; and whether they have identified issues with the data elements or definitions.</li> <li>2. Where the agency has identified that a data element or definition is unclear, determine (at the agency and component levels) if the SAO and working groups vetted the element or definition internally and/or communicated such to Treasury, OMB, respective DATA Act interagency advisory committees (CIO, CFO, etc), or other communication channels (GitHub, DATA Act Bi-weekly Digest, DATA Act Office Hour Calls, workshops, etc.).</li> <li>3. For data element and definition issues communicated to Treasury and/or OMB, determine whether Treasury and/or OMB responded to the agency's feedback on the data elements and definitions and whether the agency followed this guidance.</li> </ol>		
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**II.3.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

**Suggested Criteria and Best Practices:** DATA Act Implementation Playbook 8-Step Agency Implementation Plan, Federal Spending Transparency Data Standards, DATA Act Blueprint Guide, and OMB’s Management Procedures Memorandum No. 2016-03.

**Step 3: Perform Inventory of Agency Data and Associated Business Processes (February 2015 – September 2015)**

After reviewing the DATA Act elements in step 2, the SAO and workgroup will be ready to create an agency data inventory. The goal is to identify the appropriate source system to extract the needed data and understand gaps (e.g., data are not captured or data are hard to extract). The workgroup will inventory how its elements, sources, and processes fit/link together.

**Risk(s):** [insert Agency Name] did not conduct a formal, adequate, and complete data inventory of the DATA Act elements for each major reporting component and may not properly report complete, reliable or accurate data. If applicable, the [Insert FSSP Name] did not conduct a formal, adequate, and complete data inventory of the DATA Act elements on behalf of its customers and may not properly report complete, reliable or accurate information.

**Objective(s):** Ensure each reporting bureau, including FSSP on behalf of its customers, understands how the DATA Act elements are used across agency business processes, systems and applications and have identified and can trace or map back to the appropriate source system to extract the needed data and understand gaps (e.g., data not captured or hard to extract).

<b><i>Review Step Description</i></b>	<b><i>Working paper Reference</i></b>	<b><i>Comments</i></b>
<p><i>II.3.PS – Determine how the SAO, DATA Act working group (at the agency and major reporting component level), and FSSP on behalf of its customers as applicable, traced how DATA Act elements are used across agency business processes, systems and applications.</i></p> <p><b>8-Step Agency Implementation Plan (Step 3)</b></p>		<p>(See)  <b>Attachment E –</b>            Data Inventory and Mapping Process Exhibit  <b>Attachment F –</b>            Data Standards Exhibit  <b>Attachment G -</b>            DATA Act Schema v0.7</p>
<p><b>II.3.A – Agency Data Inventory</b></p> <p>1. Obtain and review the completed initial data inventories for each major reporting component , and determine what procedures the SAO/working group performed to ensure that the data inventory:</p> <p>a. Includes all of the DATA Act, FFATA, and USAspending.gov data elements.</p> <p>b. Identifies the financial, procurement, grants, and loans system where each element is captured.</p>		



<ul style="list-style-type: none"> <li>c. Identifies any manual systems/processes used to maintain the data element (e.g., Excel spreadsheets for grant data).</li> <li>d. Identifies which data elements were summary and/or transactional (detailed).</li> <li>e. Identifies those elements that are not currently captured (gaps) in its systems or those that are difficult to extract. (Note: Treasury and OMB concept and macro models were created as a reference to locate data gaps).</li> </ul> <p>2. For each gap identified in the inventory:</p> <ul style="list-style-type: none"> <li>a. Determine if viable solutions have been identified/proposed for all material gaps. Materiality is based on an individual agency's professional judgement.</li> <li>b. Determine if the agency has evaluated proposed solutions and the conclusions reached.</li> <li>c. Determine if the agency has assessed the potential impact of the gap on the timeliness/effectiveness of the agency's DATA Act implementation efforts.</li> </ul> <p>3. Determine (and document) whether the agency, and [applicable FSSP], considered the following in its data inventory and, where issues were identified, whether the agency has developed remediation plans:</p> <ul style="list-style-type: none"> <li>a. How the business, accounting, and payment processes all interact with one another?</li> <li>b. How data is passed from one functional system to another throughout the agency's processes and that adequate controls are in place to ensure the validity of the data throughout these processes?</li> <li>c. Award ID: Does the core financial management and mixed feeder management systems include Procurement Instrument Identifiers (PIID)/Activity Address Code (AACs) for contracts and Federal Award Identification Number (FAIN) for grants, insurance, and loans?</li> <li>d. The effects of the FAIN for grants and PIID-AACs deadline for contracts and how such relates to the DATA Act data elements (i.e., award ID).</li> <li>e. Are object classes and program activities recorded in core financial and/or management systems?</li> <li>f. The process to add program activity codes and names to budget object classes.</li> </ul>		
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<ul style="list-style-type: none"> <li>g. Are data elements in agency and/or government-wide systems consistent with DATA Act elements/standards?</li> <li>h. Are complete data on grants captured at the transaction level?</li> <li>i. Are prime awardees reporting to the FFATA Sub award Reporting System (to include the required elements on all first-tier sub-awardees for procurement and financial assistance awards)?</li> </ul> <p>4. Determine if the major components noted any concerns regarding their respective data inventory and Treasury and OMB concept and macro models. For example, concerns with linkages between authoritative sources like System for Award Management (SAM), Federal Procurement Data System – Next Generation (FPDS-NG), etc. versus [insert Agency Name]’s financial and agency financial management systems (Oracle, Prism, IFS, IPS, \$MART).</p> <p>5. Determine whether the agency provided Treasury and OMB with any feedback related to the financial, procurement, grants, and loans concept and macro models by the established deadline (April 30, 2015) and whether Treasury and OMB responded to that feedback.</p>		
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**II.4.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

**Suggested Criteria and Best Practices:** DATA Act Implementation Playbook 8-Step Agency Implementation Plan, Government Accountability Office (GAO) Cost Estimating and Assessment Guide (GAO 09-3SP), GAO Schedule Assessment guide (GAO-16-89G), and OMB’s Management Procedures Memorandum No. 2016-03.

**Step 4: Design and Strategize (March 2015 – September 2015)**

There are two main goals in this step – 1) capturing Award ID to link financial data to agency management systems and 2) developing a comprehensive implementation plan, including solutions for addressing gaps in agency data.

NOTE: Implementation of the DATA Act may require agencies to create a field to link the data contained in the financial and management systems in order to capture complete multi-level (e.g., summary and award detail) data.

**Risk(s):** [insert Agency Name]’s [and applicable FSSP]’s implementation plans are inadequate and do not include detailed information as to how [insert Agency Name] [and applicable FSSP customers] are going to link the data and thus may not be able to fulfill its reporting requirements under the Act [the implementation plan does not sufficiently consider the resources required for implementation and the timeframes for such].

**Objective(s):** Ensure each major reporting component develops a comprehensive implementation plan, including solutions for addressing gaps in agency data and ensuring Award ID exists in financial and management systems.

<b>Review Step Description</b>	<b>Working paper Reference</b>	<b>Comments</b>
<p><i>II.4.PS – Determine if the agency, and [applicable FSSP], developed a comprehensive implementation plan that will ensure it will fulfill its reporting requirements under the DATA Act.</i></p> <p><b>8-Step Agency Implementation Plan (Step 4)</b></p>		<p>(See) <b>Attachment H - Implementation Plan Estimate - Template</b></p>
<p>II.4.A – <b><u>Design and Strategize</u></b></p> <p>1. Gain and document an understanding of the process by which the agency is planning to implement the DATA Act and the means with which it is tracking implementation. In connection with this, obtain copies of all material DATA Act Project Management artifacts including process and system design documentation, implementation plans, activity tracking documents, to include the OMB Implementation Plan required by OMB M-15-12 (due to OMB September 14, 2015).</p> <p><b><u>OMB Plan Submission</u></b></p>		

<p>2. Ensure that an Implementation Plan that meets OMB M-15-12 was submitted to OMB on September 14, 2015.</p> <p>a. Determine if the agency’s Implementation Plan was updated, if so ensure the most current version of the Implementation Plan is used for this assessment. Document significant changes to the Implementation Plan that was submitted to OMB.</p> <p><b><u>Project Management Documents – OMB Format Narrative</u></b></p> <p>3. Ensure that the Project Management documents include a Narrative which, at a minimum, summarizes:</p> <p>a. Steps towards Implementation (plan to achieve the structure reviewed in Step 3 – II.3.A.).</p> <p>b. Foreseeable Challenges.</p> <ul style="list-style-type: none"> <li>• Risks Mitigation Strategy.</li> <li>• Competing Statutory, Regulatory, and Policy Priorities that may affect agency implementation efforts.</li> <li>• Managing Costs.</li> <li>• Uses of Standardized Data in Agency Management.</li> <li>• Effect on [applicable FSSP]s and their customers.</li> </ul> <p><b><u>Timeline</u></b></p> <p>4. Ensure that the Project Management documents include a timeline which graphically details the major milestones the agency expects to complete as part of the implementation process. Each milestone should have projected dates (e.g., month/year or quarter/year). The agency must also explain these milestones in the narrative and list them in the project plan.</p> <p>a. Timelines should begin with the first DATA Act-related activity (agencies that have already begun DATA Act implementation should include these activities in the timeline). The timeline should end when the agency projects it will complete all of the requirements of M-15-12.</p> <p>b. At a minimum, timelines must include expected start and completion dates for the following:</p> <ul style="list-style-type: none"> <li>• Conducting inventory of data elements;</li> <li>• Mapping agency data to the DATA Act schema (using the latest draft available);</li> </ul>		
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<ul style="list-style-type: none"> <li>• Linking financial and management systems with a unique award ID;</li> <li>• Changes to IT systems, noting whether changes occur within or outside current lifecycle plans in consultation with agency CIO;</li> <li>• Providing agency data to [insert Agency Name] in a DATA Act Schema format; and</li> <li>• Submitting object class and program activity data from agency financial systems to OMB in FY 2016.</li> </ul> <p>5. Review established timelines to determine whether they comply with targeted dates within the <i>DATA Act Implementation Playbook v 1.0</i> from Treasury and OMB, and reporting dates within the DATA Act.</p> <p><b><u>Estimates</u></b></p> <p>6. Ensure that the Project Management documents include a separate section for cost estimates/budget projections needed to execute the plan. In consideration of GAO’s GAO-16-89G, Review the cost estimates/budget projections to determine:</p> <ol style="list-style-type: none"> <li>a. The estimates include costs for each high-level task and milestone in the project plan. In cases where it is difficult to calculate precise estimates agencies may formulate in terms of a rough order of magnitude (ROM) or ranges that reflect varying levels of effort or assumptions.</li> <li>b. The agency explicitly identified which tasks and milestones can be (or have been) done within existing resources.</li> <li>c. A list of assumptions, total costs, and total savings (if any) that occur during each affected fiscal year (s) (specifying technology-related costs versus other costs associated with business process changes).</li> <li>d. Reasonableness considering resource needs, use of contractors, etc. and timing of expenditures (that most of the implementation will occur in FY16, while maintenance will occur in FY17).</li> <li>e. Include cost estimates for any [applicable FSSP]’s costs.</li> </ol>		
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<p><b><u>Project Management Plan</u></b></p> <p>7. Ensure that the Project Management documents include a project plan that:</p> <ul style="list-style-type: none"> <li>a. Identifies all material work streams.</li> <li>b. Sets timelines, milestones and due dates for each work stream. (For each milestone, there should be high-level tasks that lead to the milestone, resource needs, and any dependencies.)</li> <li>c. Assigns responsibility/accountability for the completion of each milestone.</li> <li>d. Notates steps that require OMB and [insert Agency Name] action.</li> <li>e. Provides for the regular monitoring and reporting of work stream progress against milestones and due dates.</li> </ul> <p>8. Review the related project management documentation for completeness and determine whether it defines (or describes a process sufficient to develop) the full extent of the system architecture, processes and controls that are required to comply with the DATA Act. For example, the project management documentation should address:</p> <ul style="list-style-type: none"> <li>a. Performance of the data element review.</li> <li>b. Performance/completion of the data inventory.</li> <li>c. The use of Treasury’s and OMB’s Broker/wrapper tool or other extract, transform, and load (ETL) tools which may require the creation of an agency data mart or changes to existing repositories like TIER; and that a viable system architecture regarding this decision is documented.</li> <li>d. Compliance with the reporting thresholds of \$3,000.</li> <li>e. The agency reporting deadline of May 2017 and the period covered on that date (e.g., data as of October 2016).</li> <li>f. Efforts to clean the data before mapping it to the DATA Act Schema.</li> <li>g. Proposed system and operational/business process changes to capture complete multi-level (e.g., summary and award detail) fully-linked data and the resources (costs, FTEs, contractors, training, etc.) needed to implement those changes.</li> </ul>		
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<ul style="list-style-type: none"> <li>h. Award ID linkages in the financial and management systems (FAIN for financial assistance and PIID-AACs for procurement transactions). <ul style="list-style-type: none"> <li>(1) The impact on business processes (i.e., annual financial reporting and the timeframe of such),</li> <li>(2) Already scheduled IT changes and upgrades (e.g., Financial System Modernizations, new releases of enterprise-wide systems like Oracle, SAP, etc.), and</li> <li>(3) The Systems Development Life Cycle (SDLC), change control process for IT and business operations, training, etc.</li> </ul> </li> <li>i. Assess the proposed system changes for reasonableness and whether those changes can be made in a reasonable timeframe given the existing guidance from Treasury and OMB.</li> <li>j. The development and execution of internal control procedures designed to ensure the completeness and accuracy of data submitted by the agency under the DATA Act.</li> <li>k. The impact of the results of Agency Pilot programs, if applicable.</li> <li>l. Use of contractors to assist in the implementation, if applicable.</li> <li>m. Assess the agency’s plans to address the above factors for reasonableness and each factor’s compliance with the requirements of the Act, if implemented.</li> </ul>		
<p><b>II.4.B – [insert Agency Name]’s component Reporting Pilot Program (if applicable)</b></p> <ul style="list-style-type: none"> <li>1. Review the implementation plan to determine whether <b>[insert Agency Name]</b> is planning a pilot program for any of its components. If so, for each DATA Act pilot executed by the agency determine what stage (planning, execution, or testing) each pilot program is in. <ul style="list-style-type: none"> <li>a. If a pilot program is still in the planning phase, assess the plans for the pilot for reasonableness and determine if the pilot’s design is likely to meet the DATA Act implementation objectives and whether the pilot is managed in a manner that will likely result in useful recommendations.</li> </ul> </li> </ul>		

<ul style="list-style-type: none"> <li>b. Determine whether the pilot is being planned, executed, tested and documented using good project management practices.</li> <li>c. Review the pilot’s architectural plans and determine whether it satisfactorily addresses: <ul style="list-style-type: none"> <li>• How the pilot data is going to be submitted in accordance with the DATA Act Schema and how award IDs are going to be linked among the financial and management systems and to the DATA Act data elements?</li> <li>• How will the pilot data be reconciled among the financial and management systems and the DATA Act Schema?</li> </ul> </li> <li>d. If the pilot is in the execution phase, review the pilot program in conjunction with program step 5 (Execute Broker) at <b>II.5.A</b></li> <li>e. If the pilot is in the testing phase, review pilot testing results in conjunction with program steps related to step 6 (Test Broker) at <b>II.6.A</b>.</li> </ul>		
<p><b>II.4.C – Procurements - DATA Act Implementation (if applicable) Review the Implementation Plan to determine if there were any procurements executed. If applicable, obtain a list of procurements executed in connection with the DATA Act from the project management documents, and, for a sample of procurements:</b></p> <ul style="list-style-type: none"> <li>a. Obtain request for proposals (RFPs), statements of work (SOWs), task orders, contracts, etc. related to the implementation of the DATA Act; and review those documents to determine that the use of the contractor is consistent with the DATA Act implementation plan.</li> <li>b. Determine if those contracts/contractors are being effectively monitored, whether the costs incurred are consistent with cost estimates in the implementation plan.</li> <li>c. Determine whether the contractor’s product was provided consistent with the implementation plan.</li> </ul>		
<p><b>II.4.D – Communication with Treasury and OMB</b></p> <ul style="list-style-type: none"> <li>1. Determine if the agency has identified any concerns regarding the implementation of the DATA Act given its implementation plans and the guidance provided by Treasury and OMB. <ul style="list-style-type: none"> <li>a. Review documentation of the agency’s efforts to communicate these concerns to Treasury</li> </ul> </li> </ul>		



<p>and OMB; and any solutions that have been offered as a result.</p> <p>b. Determine the feasibility and potential agency-wide application of the solution and potential impact of the solution on the timeliness/effectiveness of the agency's DATA Act implementation efforts.</p>		
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**NOTE: The DATA ACT Readiness Review Guide v 2.0 includes expanded review procedures to address Steps 5 through 8 of the Agency Implementation Plan. OIGs should consider the remaining procedures when testing for the completion of these significant workstreams to determine how the [insert Agency Name]’s and [Applicable FSSP] will (1) execute/use the broker to extract, map, and validate data, (2) test broker implementation, (3) update agency systems (as needed), and submit spending data.**<sup>3</sup>

**II.5.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

Suggested Criteria and Best Practices: DATA Act Implementation Playbook 8-Step Agency Implementation Plan, DATA Act DATA Act Information Model Schema version 1.0, DATA Act Reporting Submission Specification, OMB’s Management Procedures Memorandum No. 2016-03

*Step 5: Execute Broker (October 2015 – February 2016)*

The goal in this step is to implement system changes and extract data (to include mapping of data form agency schema to the DATA Act schema, and then validate).

Implementation of the DATA Act will require agencies to map data to the DATA Act Information Model Schema using an agency’s developed broker or Treasury’s developed broker.

**Risk(s):** The [insert Agency Name], **including [Applicable FSSP] on behalf of its customers** , are unable to(1) identify the required data elements from the application system, (2) extract the data, or (3) reformat the data using the defined standards in order to transfer the data submissions to the agency’s developed broker or Treasury’s developed broker.

**Objective(s):** Ensure each major reporting component (1) identifies (maps) required data elements from the various [Agency] application systems, (2) extracts and reformats the data to defined standards, and (3) transfers the data to the designated Treasury site.

<b>Review Step Description</b>	<b>Working paper Reference</b>	<b>Comments</b>
<p><i>II.5.PS – Determine if the agency plans to develop a broker or use the Treasury developed broker.</i></p> <p><b>8-Step Agency Implementation Plan (Step 5)</b></p> <p><b>NOTE:</b> If the Agency has conducted or is in the process of conducting a pilot program, the steps in this section can be performed based on the information obtained and current progress related to the Agency’s pilot program(s) identified in section <b>II.4.B</b></p>		<p>(See)</p> <p><b>Attachment E –</b> Data Inventory and Mapping Process Exhibit</p> <p><b>Attachment F –</b> Data Standards Exhibit</p> <p><b>Attachment G -</b> DATA Act Schema v0.7</p> <p><b>Attachment X –</b> DATA Dictionary</p>

<sup>3</sup> The Broker process will be used as the description of the software product used to manage the respective Agency ETL process though it is understood that an Agency may elect to retain and utilized their own established ETL system.

		including metadata rules
<p>II.5.A – <b>Execute Broker</b> – As part of this step, the auditor may wish to ensure the following attributes are adequately addressed in the process of executing the broker.</p> <p><u>Mapping</u></p> <ol style="list-style-type: none"> <li>1. Determine that the Agency has identified, linked by common identifiers (e.g. DUNS, Award-ID, Agency Code), all of the data elements in the agency’s procurement, financial, grants, and loans systems (as applicable) that are defined in the DATA Act Data Standards.</li> </ol> <p><u>Extraction</u></p> <ol style="list-style-type: none"> <li>2. Determine if the Agency has established an automated process for accessing and retrieving the mapped data elements and storing within a database work area.</li> </ol> <p><u>Data Preparation</u></p> <ol style="list-style-type: none"> <li>3. Determine if the Agency has established an automated process that reviews and transforms/reformats the extracted data from the source systems to comply with the DATA Act Information Model Schema during the extraction process to the database work area. Data Transformation examples: <ol style="list-style-type: none"> <li>a. Translating coded values: (e.g., if the source system codes male as "1" and female as "2", but the metadata codes male as "M" and female as "F").</li> <li>b. Encoding free-form values: (e.g., mapping "Male" to "M").</li> <li>c. Deriving a new calculated value: (e.g., sale amount = qty * unitprice).</li> <li>d. Sorting or ordering the data based on a list of columns to improve search performance.</li> <li>e. Joining data from multiple sources (e.g., lookup, merge).</li> <li>f. Aggregating (for example, rollup — summarizing multiple rows of data — total sales for each store, and for each region, etc.).</li> </ol> </li> </ol> <p><u>Validation</u></p> <ol style="list-style-type: none"> <li>4. Determine if the Agency has established Edit verification checks to ensure that each data element</li> </ol>		

<p>meets defined data standards. <b>NOTE:</b> The validation process does not check that the data is correct; it ensures that it meets the data standards. For example, if one inputs letters into a field that states it is for numbers and in the format of __/__/__, the entry is flagged as a data-validation error. However, if one inputs 01/09/14 into the field when the date should be entered as 09/01/14, the computer sees this as a valid entry.</p> <ol style="list-style-type: none"> <li>a. Determine if the validation engine will provide validation reports to allow for further processing.</li> <li>b. Determine if the Agency has developed a validation engine interface which produces validation reports and other output and allows users to accept, reject, customize, and manually edit the output.</li> </ol> <p><u>Reconciliation</u></p> <ol style="list-style-type: none"> <li>5. Determine if the Agency has developed a process that summarizes key data points such as amount and number for each of the original data source application systems to new target repository for purposes of assessing reliability and completeness of the provided data.</li> </ol> <p><u>Data Transfer</u></p> <ol style="list-style-type: none"> <li>6. Determine If the Agency has established a secure and documented data transfer/loading process to the designated Treasury site.</li> </ol>		
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**II.6.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

Suggested Criteria and Best Practices: DATA Act Implementation Playbook 8-Step Agency Implementation Plan, DATA Act Schema, DATA Act Reporting Submission Specification, U. S. Digital Services Playbook

*Step 6: Test Broker Implementation (October 2015 – February 2016)*

The goal in this step is to test broker outputs to ensure data is valid.

Risk(s): [insert Agency Name] does not perform adequate testing, or after [insert Agency Name] tests the data, the data is not valid or compliant with the DATA Act standards. If applicable, [insert Agency Name] has not worked with its FSSP in testing its agency data submissions.

Objective(s): Ensure data is accurate, complete and reliable.

<i>Review Step Description</i>	<i>Working paper Reference</i>	<i>Comments</i>
<p><i>II.6.PS – Determine if data outputted by the broker are valid.</i></p> <p><b>8-Step Agency Implementation Plan (Step 6)</b></p>		
<p>1. II.6.A – <b>Test Broker Implementation</b> Determine if the Agency conducted and documented user acceptance testing for each iteration or pilot program.  <b>NOTE:</b> If the Agency has conducted or is in the process of conducting testing as part of a pilot program, the steps in this section can be performed based on the Agency’s pilot program(s) identified in section <b>II.4.B</b></p> <p><b>Testing completed</b></p> <p>2. Review the documented results of user acceptance testing/pilot testing and determine:</p> <ul style="list-style-type: none"> <li>a. Whether the product met the user acceptance criteria.</li> <li>b. Whether issues identified were appropriately raised and addressed within the progress tracking process.</li> <li>c. Whether recommendations – including system changes, upgrades, and/or workstream design changes – are consistent with the objective of the workstream and incorporated into the overall DATA Act Implementation Plan.</li> </ul> <p>3. Determine if the Agency conducted final user acceptance testing and completed corresponding</p>		

<p>sign-offs of the completed Broker process prior to final implementation.</p> <p>4. Ensure that Agency testing plans include identifying errors or other issues and developing corrective action plans to improve data quality and/or security as needed.</p>		
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**II.7.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [applicable FSSP] on behalf of its customers**

Suggested Criteria and Best Practices: DATA Act Implementation Playbook 8-Step Agency Implementation Plan, DATA Act Schema, DATA Act Reporting Submission Specification

*Step 7: Update System (October 2015 – February 2017)*

The goal in this step is to implement other system changes, as necessary.

Risk(s): [insert Agency Name] does not establish a linkage between program and financial data and did not capture any new data. If applicable, [insert Agency Name] has not worked with its FSSP to determine if there are any requisite system modifications.

Objective(s): Ensure [insert Agency Name], **including [applicable FSSP] on behalf of its customers**, have established necessary linkages between program and financial data feeder systems to ensure that all future changes are properly captured and updated within the Data Act broker process.

<i><b>Review Step Description</b></i>	<i><b>Working paper Reference</b></i>	<i><b>Comments</b></i>
<i>II.7.PS – Determine if other system changes are needed.</i>		
<b>8-Step Agency Implementation Plan (Step 7)</b>		
<p><b>II.7.A – Update Systems</b></p> <ol style="list-style-type: none"> <li>1. For any issues identified in II.5.PS and II.6.PS that require a system update, ensure updates are handled in accordance with [insert Agency Name]’s change-management requirements.               <ol style="list-style-type: none"> <li>a. Ensure there is a system to track required updates from identification through completion.</li> </ol> </li> <li>2. Determine if the Agency has established change control processes to ensure the reliability and completeness of any new or modified data and re-test its IT architecture that retrieves data and maps to the Data Act Schema.</li> </ol>		

**II.8.PS – Review of [insert Agency Name]’s Reporting Efforts under the DATA Act, including [Applicable FSSP] on behalf of its customers**

**Suggested Criteria and Best Practices:** FFATA, DATA Act, OMB M-15-12, DATA Act Implementation Playbook 8-Step Agency Implementation Plan, DATA Act Schema, DATA Act Reporting Submission Specification

**Step 8: Submit Data (March 2016 – May 9, 2017)**

The goal in this step is to update and refine the process (steps 5-7), as needed.

NOTE: Depending on the stage your agency’s implementation plan is in, step 8 could be deferred until the first DATA Act required audit, which the first scheduled report due November 2017, is conducted.

**Risk(s):** [insert Agency Name] has not adequately established a formal schedule to process data submissions to Treasury.

**Objective(s):** Ensure [insert Agency Name] has established a formal schedule to process data submissions within the Agency IT production cycle.

<b><i>Review Step Description</i></b>	<b>Working paper Reference</b>	<b>Comments</b>
<p><i>II.8.PS – Determine if the process needs to be refined or updated.</i></p> <p><b>8-Step Agency Implementation Plan (Step 8)</b></p>		<p>(See)  <b>Attachment -</b>            (See)  <b>Attachment E –</b>            Data Inventory and Mapping Process Exhibit  <b>Attachment F –</b>            Data Standards Exhibit  <b>Attachment G -</b>            DATA Act Schema v0.7</p>
<p><b>II.8.A – Submit Data</b></p> <p>1. Review the results of Steps II.5.PS through II.7.PS and make a final determination whether any concerns or issues will impact [insert Agency Name]’s ability to meet the May 2017 reporting deadline as required by the DATA Act.</p>		





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

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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

Federal shared services are an arrangement under which one agency (the provider) provides information technology, human resources, financial, or other services to other departments, agencies, and bureaus (the customers). This arrangement allows agencies to focus resources on their primary mission. The Office of Management and Budget (OMB) placed a particular emphasis on streamlining Federal financial management systems. As described in OMB's M-13-08, traditional approaches to financial system implementations have left agencies exposed to significant risks in cost, quality and performance.<sup>4</sup> Also, the highly fragmented nature of previous financial systems across Federal agencies has contributed to inconsistencies in financial data, making it challenging to provide transparency into Federal finances. OMB explained that the cost, quality, and performance of Federal financial systems can be improved by focusing government resources on fewer, more standardized solutions that are implemented and operated by more experienced staff. The Federal Government can achieve this with wider use of shared services for common system and transaction processing needs.

According to OMB, the use of shared services, with standardized financial systems, will:

- better enable the Federal government to strategically source software providers, hosting, and (potentially) transaction processing,
- reduce system implementation risks and timelines,
- ease the adoption of new government-wide requirements (such as the DATA Act), and
- improve data quality and provide greater transparency into Federal finances, including through the production of auditable financial statements at the government-wide level.

The use of Federal shared service providers (FSSP) also creates additional areas of concern to be considered with the Readiness Review. Briefly, inspectors general should ensure that:

- Agencies and FSSPs are coordinating throughout the agency's DATA Act implementation
- Agencies are tracking FSSPs statuses
- Agencies and FSSPs have established the reporting responsibilities for FSSPs and their customers
- FSSPs are engaging customers
- FSSPs are working with their customers on implementation plan submission
- FSSPs are determining applicable data elements and identifying gaps and issues
- Customers are represented in communication with agencies
- Customers understand business process changes that are required for DATA Act implementation

Due to the nature of the shared services provided and received, the steps described in this appendix should be performed in conjunction with the review procedures contained in throughout this Readiness Review Guide. Please note that these procedures are intended to be a guide that can be utilized by any agency. Accordingly, some review procedures may not be applicable to your agency and/or may need to be adjusted based on the needs of the respective OIG.

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<sup>4</sup> OMB M-13-08 *Memorandum for the Heads of Executive Departments and Agencies*

<b><i>Review Step Description</i></b>	<b>Working paper Reference</b>	<b>Comments</b>
<p><i>Determine if the agency developed a comprehensive implementation plan that will ensure it will fulfill its reporting requirements under the DATA Act.</i></p>		
<p><b><u>[insert Agency Name]’s Federal Shared Services Providers (Additional Steps, if applicable)</u></b></p> <ol style="list-style-type: none"> <li>1. Determine which components within [insert Agency Name] that provide Federal shared services are required to report information in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act) on behalf of its customers:               <ol style="list-style-type: none"> <li>a. Document an understanding of the established governance structure the shared service provider has established to manage its compliance to the DATA Act (e.g., [insert Agency Name] Senior Accountable Officials (SAO), [insert Agency Name] DATA Act Working Group, project manager/liason, executive board or council, etc.).</li> <li>b. Ensure the shared service provider established governance structure includes representation from each customer agency.</li> <li>c. Determine that the [insert Agency Name] shared service provider worked with its customers to develop its implementation plan to comply with the DATA Act including specific information about anticipated costs and timelines necessary to implement OMB M-15-12</li> <li>d. Review the [insert Agency Name] shared service provider implementation plan to determine if it covers all requisite customers (internal and external) required to report under the DATA Act (and/or provides a supportable explanation for those customers that are not required to report).</li> <li>e. Review the [insert Agency Name] shared service provider implementation plan to determine if the shared service provider documented the extent it will report on behalf of its customer. Ensure the shared service provider considered the following:                   <ul style="list-style-type: none"> <li>○ What payment and financial data the shared service provider will submit on behalf of the customer? (i.e. the level of service to be provided)</li> <li>○ If the shared service provider does not house certain data (e.g. grant data), will</li> </ul> </li> </ol> </li> </ol>		

<p>the shared service provider require its customers to submit additional data for DATA Act reporting or will the customer be responsible for submitting the data through its own agency? (e.g., if the customer does houses its own grants data, will the customer submit grant data to the shared service provider for reporting?)</p> <p>f. Determine whether the shared service provider has defined (or described a process sufficient to develop) the full extent of the system architecture, processes and controls that are required to comply with the DATA Act. If the shared service provider has proposed system changes:</p> <ul style="list-style-type: none"> <li>○ Assess the proposed system changes for reasonableness and whether those changes can be made in a reasonable timeframe given the timeline established by its agency and the existing guidance from Treasury and OMB.</li> <li>○ Ensure that the shared service provider is documenting and communicating system changes to its agency and customers.</li> <li>○ Ensure the Agency and Federal shared service provider plans collaborated with the Chief Information Officer under the Federal Information Technology Acquisition Reform Act to consider existing information technology lifecycle planning?</li> <li>○ Ensure the Agency and Federal shared service provider plans consider the requirements for collaboration with the Chief Information Officer under the Federal Information Technology Acquisition Reform Act?</li> </ul> <p>g. If applicable, determine if the shared service provider notified its customers of any business process changes needed to be implemented by the customer. For example, changes to business processes to ensure data elements are captured, appropriate awardee information is reported, and payment and financial transactions are reported accurately.</p> <p><b><u>[insert Agency Name]’s Shared Services Customers (Additional Steps, if applicable)</u></b></p>		
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<p><b>2. Shared Service Customers-</b> Determine if any of the major components use any Federal shared services that directly relate to the financial reporting requirements under the DATA Act and how they are being engaged as it relates to the implementation of the DATA Act.</p> <ol style="list-style-type: none"> <li>a. Ensure the DATA Act reporting roles and responsibilities for financial, procurement, grants, and loan information are being established between the customers and their shared service providers.</li> <li>b. Determine if the component(s) within [insert Agency Name] has representation within the shared service provider’s governance structure (e.g., the customer agency is a member of the shared service provider’s DATA Act Working Group).</li> <li>c. Determine if the component(s) within [insert Agency Name] documented an understanding and acknowledged the extent the shared service provider will report on its behalf. Ensure the component(s) within [insert Agency Name] has an understanding of the following:             <ul style="list-style-type: none"> <li>o What payment and financial data the shared service provider will submit its behalf (i.e. the level of service to be provided).</li> <li>o If the shared service provider does not house all required payment and financial data (e.g. grant data) for the component(s) within [insert Agency Name], will the component(s) within [insert Agency Name] be required to submit additional data to the shared service provider for DATA Act reporting or will the component(s) within [insert Agency Name] be responsible for submitting the data through its own agency? (e.g., if the component(s) within [insert Agency Name] houses its own grants data, will the component(s) within [insert Agency Name] submit grant data to the shared service provider for reporting?)                 <ul style="list-style-type: none"> <li>▪ If the component(s) within [insert Agency Name] is responsible for submitting data to the shared service provider, ensure that the</li> </ul> </li> </ul> </li> </ol>		
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<p>component(s) within [insert Agency Name] has developed a plan to provide the required data and communicated the plan to the shared service provider.</p> <ul style="list-style-type: none"> <li>▪ If reporting through its own agency, ensure the component(s) within [insert Agency Name] performed II.2.PS and II.3.PS.</li> </ul> <p>d. For Agencies moving to Federal shared service providers, determine if the component(s) within [insert Agency Name] implementation plans align with their move to the Federal shared service provider.</p> <p>e. If applicable, determine if the component(s) within [insert Agency Name] received notification from the shared service provider of any business process changes it needed to implement. For example, changes to business processes to ensure data elements are captured, appropriate awardee information is reported, and payment and financial transactions are reported accurately.</p> <ul style="list-style-type: none"> <li>○ Determine whether the component(s) within [insert Agency Name] is (are) taking the necessary actions to implement the business changes.</li> </ul>		
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Potential Data Act Review Criteria List		
	Criteria	Link
1	Digital Accountability And Transparency Act Of 2014	<a href="https://www.gpo.gov/fdsys/pkg/PLAW-113publ101/html/PLAW-113publ101.htm">https://www.gpo.gov/fdsys/pkg/PLAW-113publ101/html/PLAW-113publ101.htm</a> <a href="https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf">https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf</a>
2	OMB – M-15-12 Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable	<a href="https://www.whitehouse.gov/sites/default/files/omb/memoranda/2015/m-15-12.pdf">https://www.whitehouse.gov/sites/default/files/omb/memoranda/2015/m-15-12.pdf</a>
3	DATA Act Implementation Playbook Version 1.0 June 2015	See Attachment A
4	Federal Information Technology Acquisition Reform (FITARA) (Page - 148)	<a href="https://www.congress.gov/113/plaws/publ291/PLAW-113publ291.pdf">https://www.congress.gov/113/plaws/publ291/PLAW-113publ291.pdf</a>
5	OMB – Management Procedures Memorandum No. 2016-03	<a href="https://www.whitehouse.gov/sites/default/files/omb/financial/memos/management-procedures-memorandum-no-2016-03-additional-guidance-for-data-act-implementation.pdf">https://www.whitehouse.gov/sites/default/files/omb/financial/memos/management-procedures-memorandum-no-2016-03-additional-guidance-for-data-act-implementation.pdf</a>
6	GAO – 09-3SP - GAO Cost Estimating and Assessment Guide	<a href="http://www.gao.gov/products/GAO-09-3SP">http://www.gao.gov/products/GAO-09-3SP</a>
7	GAO – 16-89G - GAO Schedule Assessment Guide	<a href="http://www.gao.gov/products/GAO-16-89G">http://www.gao.gov/products/GAO-16-89G</a>



Potential Data Act Review Criteria List		
	Criteria	Link
8	Federal Funding Accountability And Transparency Act Of 2006 (FFATA)	<a href="https://www.gpo.gov/fdsys/pkg/PLAW-109publ282/pdf/PLAW-109publ282.pdf">https://www.gpo.gov/fdsys/pkg/PLAW-109publ282/pdf/PLAW-109publ282.pdf</a>
9	The Data Exchange Standard	<a href="https://fedspendingtransparency.github.io/data-model/">https://fedspendingtransparency.github.io/data-model/</a>
10	Federal Spending Transparency Data Standards	<a href="https://max.gov/maxportal/assets/public/offm/DataStandardsFinal.htm">https://max.gov/maxportal/assets/public/offm/DataStandardsFinal.htm</a>
11	USA Spending – Data Act	<a href="https://www.usaspending.gov/Pages/Data-Act.aspx">https://www.usaspending.gov/Pages/Data-Act.aspx</a>
12	Common Data Element Repository (CDER) Library (Part of the DATA Act Section 5 Grants pilot)	<a href="https://repository.usaspending.gov/poc-tool/">https://repository.usaspending.gov/poc-tool/</a>
13	The DATA Act Schema Data Dictionary	<a href="http://fedspendingtransparency.github.io/dictionary/">http://fedspendingtransparency.github.io/dictionary/</a>
14	OMB M-10-06, Open Government Directive	<a href="https://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-06.pdf">https://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-06.pdf</a>
15	U. S. Digital Services Playbook	<a href="https://playbook.cio.gov/#plays_index_anchor">https://playbook.cio.gov/#plays_index_anchor</a>

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