REPORT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER

DATA ACT: DOL'S REPORTED DATA GENERALLY MET QUALITY STANDARDS BUT ACCURACY ISSUES REMAIN

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**U.S. Department of Labor
Office of Inspector General
Audit**

BRIEFLY…

DATA ACT: DOL'S REPORTED DATA GENERALLY MET QUALITY STANDARDS BUT ACCURACY ISSUES REMAIN

November 21, 2019

WHY OIG CONDUCTED THE AUDIT

Under the Digital Accountability and Transparency Act of 2014 (DATA Act), it is critical that the Department of Labor (DOL) report accurate and reliable spending data so taxpayers and policy makers understand how the Department is spending its funds. The Act requires federal agencies to report spending data in accordance with government-wide data standards. The Act also requires the Inspectors General of each federal agency to conduct a review of the agency's DATA Act compliance and report on the accuracy, completeness, timeliness, and quality of the agency's data.

WHAT OIG DID

We conducted an audit to assess: (1) the accuracy, completeness, timeliness, and quality of data submitted by DOL for publication on USAspending.gov; and (2) DOL's implementation and use of the government-wide data standards established by OMB and Treasury.

Our audit covered Fiscal Year 2019, first quarter spending data DOL submitted for publication on USAspending.gov; and the procedures, certifications, documentation, and controls it used in this process.

READ THE FULL REPORT

http://www.oig.dol.gov/public/reports/oa/2020/03-20-001-13-001.pdf

WHAT OIG FOUND

Overall, we found 94 percent accuracy of DOL's reported data, which according to the government-wide methodology indicates the data was generally of high quality. We also found the data was generally complete and timely, and the Department followed the government-wide data standards established by OMB and Treasury.

We found the following data elements had significant errors or issues:

- Two data elements, "Potential Total Value of Award" and "Ultimate Parent Legal Entity Name," had error rates higher than 20 percent.
- DOL did not report accurate Period of Performance Start Dates for 22 percent of 136 contracting actions tested.
- DOL continued to report inaccurate Program Activity and Object Class Codes in File B, and submitted its File C data without the required Unique Record Identifiers (URI) for financial assistance awards.

Finally, while DOL officials informed us they assessed risks specific to DATA Act reporting through the Department's Enterprise Risk Management process, they did not provide any documentation of specific risks identified or related mitigation efforts. Had the officials provided this information, we may have identified additional opportunities to enhance internal controls to mitigate risks over DATA Act reporting.

WHAT OIG RECOMMENDED

We made three recommendations to the Chief Financial Officer to address the underlying causes for errors within its reported data as well as identify risks specific to DATA Act reporting and take appropriate action to ensure internal controls address the resulting areas of concern.

The Office of the Chief Financial Officer generally agreed with our recommendations and stated that DOL had assessed risks related to DATA Act reporting. However, it did not disclose the risks identified so the limitation on our audit as discussed above remains.

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INSPECTOR GENERAL'S REPORT

James E. Williams
Chief Financial Officer
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This report presents the results of our audit of the Department of Labor's (DOL) Fiscal Year (FY) 2019, first quarter data submission for the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires federal agencies to submit spending data for display on USAspending.gov, a searchable website everyone can access to see how their federal tax dollars are spent.

The DATA Act also requires each federal agency's Inspector General to review a sample of the submitted spending data and to report to Congress on the accuracy, completeness, timeliness, and quality of the data, as well as on the agency's implementation and use of data standards. Therefore, we conducted a performance audit to answer the following questions:

1. Did DOL submit accurate, complete, timely, and quality financial and award data for publication on USAspending.gov?

2. Did DOL implement and use the government-wide data standards established by the Office of Management and Budget (OMB) and the Department of Treasury (Treasury)?

Overall, we found 94 percent accuracy of DOL's reported data, which according to the government-wide methodology indicates the data was generally of high quality. We also found the data was generally complete and timely, and the Department followed the government-wide data standards established by OMB and Treasury. Overall, for our 264 sampled records, we tested 10,879 individual

data components and identified 674 accuracy errors, 158 completeness errors, and 170 timeliness errors.

DOL's FY 2019, first quarter Data Act submission included 849 contract records, totaling $372,663,122 in obligations, and 869 grant records, totaling $4,463,522,489 in obligations. Our audit covered these records and the procedures, certifications, documentation, and controls used in the submission process.

We conducted this performance audit in accordance with generally accepted government auditing standards. In planning and performing our work, including selecting our sample of spending data, we followed the Inspectors General Guide to Compliance under the DATA Act, which is the government-wide methodology developed by the Federal Audit Executive Council (FAEC) DATA Act Working Group in consultation with the Government Accountability Office (GAO). We attempted to understand any risks identified by the Department as it related to DATA Act reporting. However, while DOL officials informed us they assessed risks specific to DATA Act reporting through the Department's Enterprise Risk Management process, they did not provide any documentation of specific risks identified or related mitigation efforts. Had the officials provided this information, we may have identified additional opportunities to enhance internal controls to mitigate risks over DATA Act reporting.

THE DATA ACT SUBMISSION PROCESS

OMB and Treasury developed a process for collecting spending data from agencies and converting it into a format for publishing on USAspending.gov. Each agency's DATA Act submission includes seven files labeled Files A, B, C, D1, D2, E, and F. Agencies extract data directly from their financial systems and upload three files (Files A, B, and C) directly to Treasury's DATA Act Broker (Broker). The Broker creates the four other files used for federal contract and grant awards (Files D1, D2, E and F) by extracting data from external feeder systems, such as the General Services Administration's (GSA) Federal Procurement Data System – Next Generation (FPDS-NG) for contracts and the System for Award Management (SAM), an external awardee system. Although the Broker creates Files D1 and D2, the majority of data reported in these files comes from the agency's contract and grant systems via the external feeder systems. See Exhibit 1 for a detailed diagram of this process.

RESULTS

We found DOL's data submission was generally accurate, complete, and timely, despite accuracy or completeness issues identified with six data elements. Further, we concluded that, in accordance with the Inspectors General Guide to Compliance under the DATA Act, the overall quality of DOL's data submission was high. DOL implemented and used the Government-wide data standards established by OMB and Treasury.

DOL'S DATA SUBMISSION WAS GENERALLY ACCURATE, COMPLETE, AND TIMELY BUT ONE DATA ELEMENT WAS NOT REPORTED AND FIVE DATA ELEMENTS HAD ACCURACY ISSUES

Although DOL submitted data that was generally accurate, complete, and timely, it did not report one required data element – Unique Record Identifier (URI) – in File C. Further, five other data elements had significant accuracy issues – Program Activity Code, Object Class Code, Potential Total Value of Award, Ultimate Parent Legal Entity Name, and Period of Performance Start Date.

The following table presents the overall error rates for the accuracy, completeness, and timeliness of the records we sampled:

Table 1: Sampled Record Error Rates

	Accuracy	Completeness	Timeliness
Error Rate	6.2 %	1.5 %	1.6 %

Source: Auditor generated based on results of testing

We determined the overall quality of DOL's reported data was generally high based on these results and in accordance with the government-wide methodology specified in the Inspectors General Guide to Compliance under the DATA Act. The guide specifies that error rates less than 21 percent indicate the data is of higher quality.

**DOL'S DATA ACT SUBMISSION WAS GENERALLY
ACCURATE BUT SOME DATA ELEMENTS HAD
SIGNIFICANT ACCURACY ISSUES**

To determine the accuracy of DOL's data submission, we reconciled the linkages between Files A, B, and C to validate those linkages and identify any significant variances between the files. Through our reconciliation testing, we noted that Files A and B were accurate except that DOL continued to report inaccurate Program Activity and Object Class Codes in File B, an issue we identified in our previous DATA Act report.[1]

Additionally, we tested the accuracy of the data elements reported in Files C, D1, and D2 for 264 sampled records and found the projected error rate to be 6.2 percent.[2] Two data elements – Potential Total Value of Award and Ultimate Parent Legal Entity Name – had significant error rates.[3,4] The errors related to Ultimate Parent Legal Entity Name were not attributable to DOL because the Broker extracted this entity-provided data from SAM, an external awardee system. We also found DOL did not report accurate Period of Performance Start Dates for 22 percent of 136 contracting actions tested.[5]

*DOL CONTINUED TO REPORT INACCURATE
PROGRAM ACTIVITY AND OBJECT CLASS CODES IN
FILE B*

DOL reported inaccurate Program Activity Codes for 9 percent, and inaccurate Object Class Codes for 12 percent, of 7,322 records in File B, which contained summary-level obligation and outlay information. Specifically, we identified 642 records that contained Program Activity Codes that were "Unknown/Other."

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[1] *"The Department Needs to Take Action to Improve the Quality of its DATA Act Submissions,"* (03-18-001-13-001), issued January 19, 2018.

[2] Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 5.76 percent and 6.69 percent.

[3] We considered an error rate greater than 20 percent to be significant, based on the overall data quality levels established in the Inspectors General Guide to Compliance under the DATA Act. See Exhibit 2 for the complete listing of data elements tested and the error rates.

[4] A third data element – Award ID Number – had a significant error rate for accuracy but that was caused by DOL not reporting URIs in File C, which is addressed in a separate finding on pages 6-8.

[5] The overall error rate for the accuracy of Period of Performance Start Date was 12 percent when grants are included; however, the accuracy issues identified only related to contracts.

Additionally, we identified 898 records that contained an Object Class Code of "0," which is a default code that DOL made invalid starting in FY 2019.

According to DOL officials, they accepted the Object Class Code of "0" from 2017 to 2018 as a temporary measure for agencies to research incorrect Object Class Codes while still being able to submit files to the Broker on time. They have implemented an edit check in DOL's financial management system that highlights invalid Program Activity and Object Class Codes in an error report for the agencies to research and resolve. However, because of the deadline to submit File B to the Broker, File B may still contain invalid codes that agencies may not have had time to resolve before the deadline.

SIX PERCENT OF DATA ELEMENTS DID NOT AGREE TO THE SOURCE DOCUMENTS

We found 677 of the 10,879 data components for the 50 data elements we tested did not agree to the source documents, which projected to an error rate of 6.2 percent.[6] The Inspectors General Guide to Compliance under the DATA Act defines accuracy of data elements as follows:

> Amounts and other data relating to recorded transactions have been recorded in accordance with the [DATA Act Information Model Schema (DAIMS) reporting standards], and the online data dictionary, and agree with the authoritative source records.

While the overall error rate of 6.2 percent was not significant, two data elements had significant error rates. First, DOL reported inaccurate Potential Total Value of Award for 26 of the 126 contract records we tested for this data element. While we found 2 of the 26 errors were caused likely by the Broker incorrectly extracting data from FPDS-NG, the remaining 24 errors could be attributed to DOL. For these records, the FPDS-NG amount did not agree with DOL supporting documentation, indicating DOL could have entered this information incorrectly. These 26 errors resulted in DOL misreporting the Potential Value of Award by $210.8 million. See Exhibit 3 for the complete list of dollar-value related data elements.

Second, DOL's data submission included inaccurate Ultimate Parent Legal Entity Names for 53 of the 249 contract and grant records we tested for this data element. When an entity registers in SAM, the entity provides its parent company's DUNS® number along with the parent's legal entity name. According

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[6] Based on a 95 percent confidence level, the projected error rate for the accuracy of the data elements is between 5.76 percent and 6.69 percent.

to Treasury, the Broker obtains the Ultimate Parent information directly from SAM. We did not make a recommendation to DOL about these errors because this was a third-party issue. See Exhibit 4 for the complete list data elements with errors not attributable to DOL.

DOL REPORTED INACCURATE PERIOD OF PERFORMANCE START DATES FOR CONTRACTING ACTIONS

DOL did not report the Period of Performance Start Date accurately for 22 percent of 136 contracting actions we tested.[7] Specifically, we found DOL reported an award date as the Period of Performance Start Date for 30 contracting actions even though the award date occurred before the actual performance start date of the contract.[8]

The DAIMS defines Period of Performance Start Date as "the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective." According to the DAIMS, the Broker extracts the Period of Performance Start Date for the D1 file from the Effective Date in FPDS-NG, which is populated by DOL's procurement system. We reviewed the source data in DOL's procurement system and in many cases found the Effective Date field in this source system was blank, indicating that DOL Contracting Specialists did not input the actual date the contract became effective into this field. When the Effective Date is blank in the source system, FPDS-NG uses the Award Date field in lieu of the Effective Date. This resulted in the reporting of inaccurate Period of Performance Start Dates in the Broker-generated D1 file when the award date occurred before the performance start date.

DOL'S DATA ACT SUBMISSION WAS GENERALLY COMPLETE BUT DOL CONTINUED TO NOT REPORT URIs WHEN REQUIRED

To determine the completeness of DOL's data submission, we reconciled File A to DOL's report on budget and spending and reconciled the linkages between Files A, B, and C to determine if the linkages were valid and to identify any

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[7] Although we sampled 141 contract records, some sampled records were obligations from the same contracting actions. For example, we sampled two contract records from several individual obligations in one contracting action. This resulted in our testing of 136 contracting actions supporting the 141 contract records we sampled.

[8] If the award date occurred after the performance start date of the contract, we did not consider it an exception because the contracting action actually becomes effective when awarded.

significant variances between the files. We also selected a sample of 264 records and tested the data elements for completeness.

The Inspectors General Guide to Compliance under the DATA Act defines completeness of agency submission as "Transactions and events that should have been recorded are recorded in the proper period." Our reconciliation work on the Files A, B, and C did not identify any significant variances and showed that all transactions that should have been recorded in FY 2019, first quarter, were recorded in that quarter.

Additionally, the Inspectors General Guide to Compliance under the DATA Act defines completeness of data elements as follows:

> For each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2.

We found only 158 of the 10,879 data elements tested were incomplete, which projected to an error rate of 1.5 percent.[9] We also found that the majority of completeness errors occurred with the Award ID Number data element.[10] Specifically, DOL did not report the URI in File C for any grant records, an issue we identified in our previous DATA Act report.

DOL CONTINUED TO NOT REPORT URIs WHEN REQUIRED

DOL did not include a URI in its File C submission for 123 grant records in our sample. These records included multiple transactions reported under the same Federal Award Identification Number and Modification Number. The DAIMS requires a URI for aggregate records, but also allows a URI to be used in conjunction with the Federal Award Identification Number for non-aggregate records. DOL uses URIs to distinguish individual obligations when a grant award or modification involves obligations to multiple year funds and programs, and each obligation is reported separately in Files C and D2. DOL reported URIs in File D2 but did not include a matching URI in its File C submission.

DOL officials stated that they have formed a working group that has completed the initial requirements for system modifications to both the grant feeder system and DOL's financial system to meet the DATA Act requirements for reporting

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[9] Based on a 95 percent confidence level, the projected error rate for the completeness of the data elements is between 1.26 percent and 1.64 percent.

[10] See Exhibit 2 for the complete listing of the data elements tested and the error rates.

URIs. They expect to deploy these modifications by the end of the fourth quarter of FY 2020. Because this is still an open recommendation from our previous report, we did not make a new recommendation to DOL about this issue.

DOL REPORTED DATA THAT WAS GENERALLY TIMELY

DOL submitted its required DATA Act files timely. The DATA Act reporting schedule developed by Treasury requires agencies to submit their DATA Act files 45 days after the quarter ends, and the due date for the FY 2019, first quarter, was March 20, 2019.[11] DOL certified its DATA Act submission on March 6, 2019.

DOL also reported required data elements timely. The projected error rate for the timeliness of the data elements was 1.6 percent.[12] The Inspectors General Guide to Compliance under the DATA Act defines timeliness of data elements as those that have been reported in accordance with the reporting schedules defined by the financial, procurement, and financial assistance requirements: Federal Funding Accountability and Transparency Act (FFATA), Federal Acquisition Regulations (FAR), FPDS-NG, DAIMS, and the Broker. We also considered a data element untimely if it was not complete.

DOL REPORTED HIGH QUALITY DATA

We conducted this audit and selected our sample of spending data in accordance with the government-wide methodology documented in the Inspectors General Guide to Compliance under the DATA Act, which defines quality of data elements as data that is accurate, complete, and reported on a timely basis. Based on that methodology and our testing, we determined the highest error rate was 6 percent and the resulting quality of DOL's data submission for FY 2019, Quarter 1, was high.

We determined the quality of the data using the error rates for completeness, accuracy, and timeliness, and used the highest of the three error rates as the determining factor of quality. The following table provides the range of error in determining the quality of the data elements.

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[11] Reflects revised dates due to the partial lapse in appropriation.

[12] Based on a 95 percent confidence level, the projected error rate for the timeliness of data elements is between 1.33 percent and 1.80 percent.

Table 2: Data Quality Levels	
Highest Error Rate	**Quality Level**
0 % - 20 %	Higher
21 % - 40 %	Moderate
41 % and above	Lower

Source: Inspectors General Guide to Compliance under the DATA Act, Section 710.04

DOL DID NOT DISCLOSE DATA ACT RISKS

In accordance with the Inspectors General Guide to Compliance under the DATA Act, we 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 the Broker[13]. In support of this effort, we attempted to understand any risks identified by the Department as it related to these DATA Act reporting methods.

However, while DOL officials informed us they assessed risks specific to DATA Act reporting through the Department's Enterprise Risk Management process, they did not provide any documentation of specific risks identified or related mitigation efforts. Had the officials provided this information, we may have identified additional opportunities to enhance internal controls to mitigate risks over DATA Act reporting.

DOL IMPLEMENTED AND USED DATA STANDARDS

DOL implemented and reported its financial and award data using the government-wide financial data standards established by OMB and Treasury. DOL presented all applicable data elements standardized under the DATA Act in the summary-level financial data it reported in Files A and B, and in the individual sampled records we tested. Each data element conformed to the standardized data definitions. We did not find any instances where the Department reported financial or award data using data definitions that differed from the standards established by OMB and Treasury.

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[13] This requirement within the Inspectors General Guide to Compliance under the DATA Act pulls from OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control (July 15, 2016) and Appendix A to OMB Circular A-123, Management of Reporting and Data Integrity Risk (June 6, 2018).

OIG'S RECOMMENDATIONS

We recommend the Chief Financial Officer:

1. Review the errors identified by our audit and, where appropriate, correct the errors in DOL's source systems and develop corrective action plans to address the underlying causes for data elements with significant errors.

2. Issue guidance to ensure Contracting Specialists accurately input the Period of Performance Start Date into the procurement system's Effective Date field.

3. Identify risks specific to DATA Act reporting and take appropriate action to ensure internal controls address the resulting areas of concern.

SUMMARY OF OCFO'S RESPONSE

In its response, the Office of the Chief Financial Officer generally agreed with our recommendations and stated it would take appropriate action to address data elements with significant errors and correct data in its source systems. It also stated that DOL had assessed risks related to DATA Act reporting and implemented controls that addressed those risks. However, during the audit DOL officials did not disclose the risks they identified nor did they specify which controls mitigated those risks. Therefore, we were unable to assess the sufficiency of any measures that may have been taken and the limitation on our audit as discussed on the preceding page remains.

Management's response to our draft report is included in its entirety in Appendix B.

We appreciate the cooperation and courtesies the Office of the Chief Financial Officer and other agency personnel extended us during this audit. OIG personnel who contributed to this report are listed in Appendix C.

Elliot P. Lewis

Elliot P. Lewis
Assistant Inspector General for Audit

EXHIBIT 1: DATA ACT INFORMATION FLOW DIAGRAM
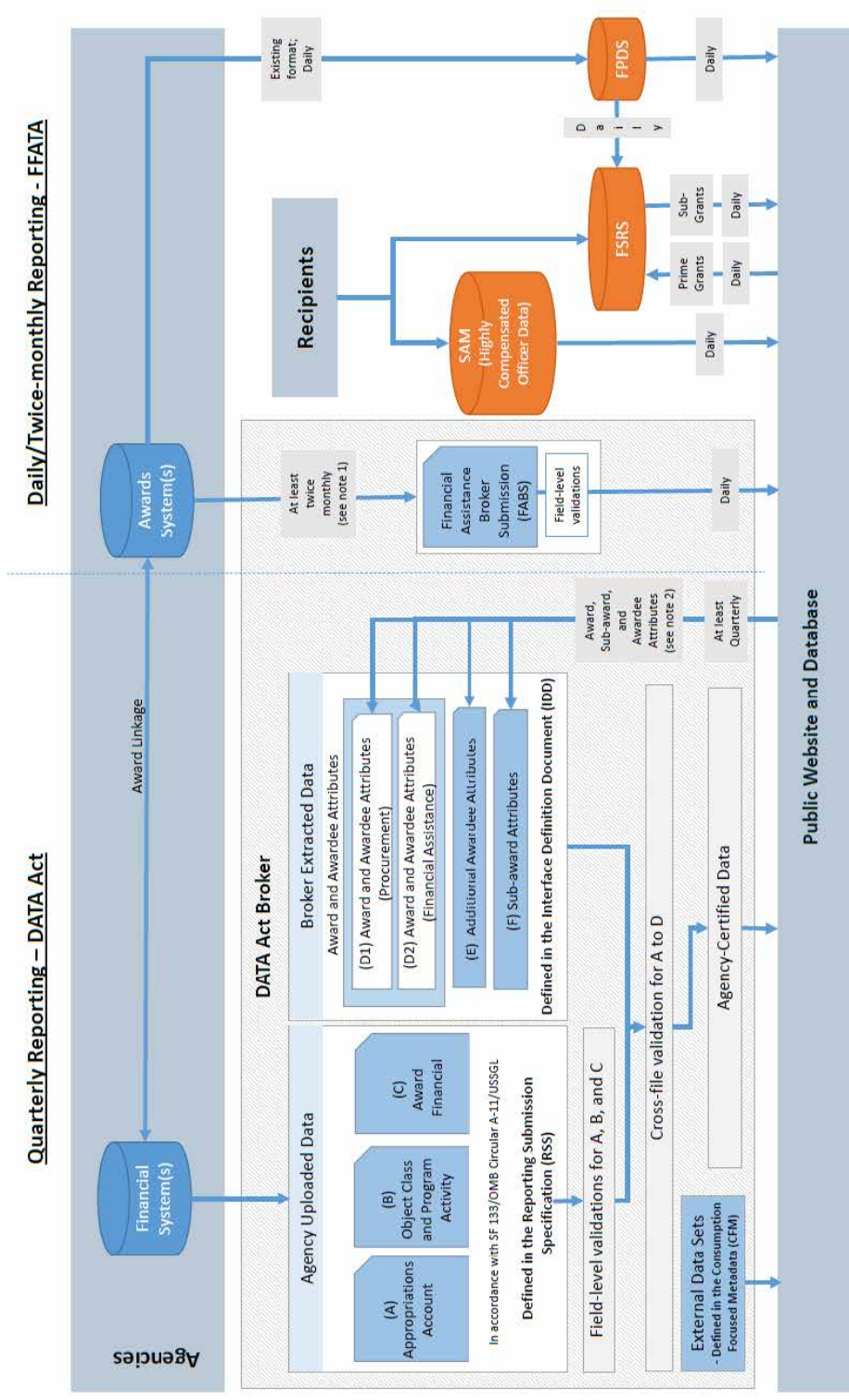
EXHIBIT 2: DOL RESULTS FOR THE DATA ELEMENTS

The table below summarizes the results of our data element testing. We sorted the results in descending order by accuracy error rate (the data element with the highest accuracy error rate is listed first). This table is based on the results of our testing of 264 procurement and financial assistance records in DOL's FY 2019, Quarter 1 DATA Act submission.

Accuracy (A), Completeness (C), Timeliness (T)				
		Error Rate		
Data Element No.	**Data Element Name**	**A**	**C**	**T**
34	Award ID Number (PIID/FAIN)[14]	24%	24%	25%
4	Ultimate Parent Legal Entity Name	21%	12%	12%
15	Potential Total Value of Award	21%	0%	0%
48	Awarding Office Name	17%	0%	0%
50	Object Class	17%	0%	1%
56	Program Activity	16%	0%	1%
14	Current Total Value of Award	15%	0%	0%
42	Funding Office Name	15%	0%	0%
31	Primary Place of Performance Congressional District	13%	0%	0%
26	Period of Performance Start Date	12%	0%	0%
40	Funding Sub Tier Agency Name	11%	0%	0%
41	Funding Sub Tier Agency Code	11%	0%	0%
17	NAICS Code	10%	0%	0%
1	Awardee/Recipient Legal Entity Name	10%	0%	0%
18	NAICS Description	9%	0%	0%
28	Period of Performance Potential End Date	7%	0%	0%
30	Primary Place of Performance Address	7%	0%	0%

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[14] This data element included the URI for financial assistance awards.

5	Legal Entity Address	6%	0%	0%
6	Legal Entity Congressional District	6%	1%	1%
27	Period of Performance Current End Date	4%	0%	0%
46	Awarding Sub Tier Agency Name	4%	0%	0%
47	Awarding Sub Tier Agency Code	4%	0%	0%
43	Funding Office Code	4%	0%	0%
19	Catalog of Federal Domestic Assistance (CFDA) Number	3%	0%	0%
20	Catalog of Federal Domestic Assistance (CFDA) Title	3%	0%	0%
37	Business Types	3%	0%	0%
3	Ultimate Parent Unique Identifier	2%	1%	1%
22	Award Description	2%	0%	0%
16	Award Type	1%	0%	0%
49	Awarding Office Code	1%	0%	0%
51	Appropriations Account	1%	0%	1%
24	Parent Award ID Number	1%	0%	1%
36	Action Type	0%	0%	0%
53	Transaction Obligation Amount	0%	0%	1%
2	Awardee/Recipient Unique Identifier	0%	0%	0%
7	Legal Entity Country Code	0%	0%	0%
8	Legal Entity Country Name	0%	0%	0%
11	Federal Action Obligation	0%	0%	0%
13	Amount of Award	0%	0%	0%
23	Award Modification / Amendment Number	0%	0%	0%
25	Action Date	0%	0%	0%
29	Ordering Period End Date	0%	0%	0%
32	Primary Place of Performance Country Code	0%	0%	0%
33	Primary Place of Performance Country Name	0%	0%	0%

35	Record Type	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
39	Funding Agency Code	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
45	Awarding Agency Code	0%	0%	0%
12	Non-Federal Funding Amount	N/A	N/A	N/A

EXHIBIT 3: ACCURACY OF DOLLAR VALUE-RELATED DATA ELEMENTS

Our testing included tests of certain dollar value-related data elements, such as Federal Action Obligation, Current Total Value of Award, Potential Total Value of Award, and Transaction Obligation Amount. The table below shows the results of the accuracy of the data elements related to dollar value.

PIID/ FAIN		Data Element	Accurate	Not Accurate	Total Tested	N/A	Total Sampled	Error Rate	Absolute Value of Errors[15]
**Accuracy of Dollar-Value Related Data Elements**
PIID	DE 11	Federal Action Obligation	126	0	126	15	141	0.0%	--
PIID	DE 14	Current Total Value of Award	107	19	126	15	141	15.1%	$40,513,336.98
PIID	DE 15	Potential Total Value of Award	100	26	126	15	141	20.6%	$210,817,735.61
PIID	DE 53	Obligation	141	0	141	0	141	0.0%	--
FAIN	DE 11	Federal Action obligation	123	0	123	0	123	0.0%	--
FAIN	DE 12	Non-Federal Funding Amount	0	0	0	123	123	0.0%	--
FAIN	DE 13	Amount of Award	123	0	123	0	123	0.0%	--
FAIN	DE 14	Current Total Value of Award	0	0	0	123	123	0.0%	--
FAIN	DE 53	Transaction Obligation Amount	122	1	123	0	123	0.8%	$18,726.40
		Total	**842**	**46**	**888**	**291**	**1,179**	**4.1%**	**$251,349,798.99**

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[15] Absolute Value of Errors is not projectable because we performed the statistical sample test on attributes and not on monetary amounts.

EXHIBIT 4: ERRORS IN DATA ELEMENTS NOT ATTRIBUTABLE TO DOL

During our testing, we noted some errors were not attributable to the agency. The table below shows those data elements with errors caused by a third party.

Errors in Data Elements Not Attributable to DOL			
PIID/ FAIN		Data Element	Attributed to
PIID/FAIN	DE 3	Ultimate Parent Unique Identifier	Treasury's DATA Act Broker extracting from SAM based on DUNS Number
PIID/FAIN	DE 4	Ultimate Parent Legal Entity Name	Treasury's DATA Act Broker extracting from SAM based on DUNS Number
PIID	DE 6	Legal Entity Congressional District	GSA's FPDS-NG extracting from SAM based on DUNS Number
FAIN	DE 6	Legal Entity Congressional District	Treasury's DATA Act Broker derives this using the ZIP code and a proprietary database
PIID	DE 31	Primary Place of Performance Congressional District	GSA's FPDS-NG auto-populates this field based on ZIP
FAIN	DE 31	Primary Place of Performance Congressional District	Treasury's DATA Act Broker derives this using the ZIP code and a proprietary database
PIID	DE 42	Funding Office Name	GSA's FPDS-NG derives this from the Funding Office Code and the FPDS-NG Contracting Office/Funding Office Look-Up Table
FAIN	DE 42	Funding Office Name	Treasury's DATA Act Broker derives this from the Funding Office Code and the Federal Hierarchy
PIID	DE 48	Awarding Office Name	GSA's FPDS-NG derives this from the Awarding Office Code and the FPDS-NG Contracting Office/Awarding Office Look-Up Table
FAIN	DE 48	Awarding Office Name	Treasury's DATA Act Broker derives this from the Awarding Office Code and the Federal Hierarchy

APPENDIX A: SCOPE, METHODOLOGY, & CRITERIA

SCOPE

The audit covered FY 2019, first quarter spending data that DOL submitted for publication on USAspending.gov and the procedures, certifications, documentation, and controls it used in the submission process.

We conducted this performance audit 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Testing Limitations for Data Reported from Files E and F

File E contains additional awardee attribute information the Broker extracts from SAM. File F contains subaward attribute information the Broker extracts from the FFATA Subaward Reporting System (FSRS). Files E and F data remains the responsibility of the awardee in accordance with terms and conditions of Federal agreements; and the quality of this data remains the legal responsibility of the recipient. Therefore, agency senior accountable officials are not responsible for certifying the quality of File E and F data reported by awardees, but they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, we did not assess the accuracy, completeness, timeliness, or quality of the data extracted from SAM and FSRS via the Broker.

METHODOLOGY

To achieve our objectives, we obtained an understanding of the criteria related to DOL's reporting responsibilities under the DATA Act. We also conducted interviews and reviewed documentation to assess the Department's internal controls over its DATA Act submission process. In addition, we reviewed a statistically valid, random sample of transactions from the Department's FY 2019, first quarter DATA Act submission; assessed the accuracy, completeness, timeliness, and quality of the transactions sampled; and assessed the Department's implementation and use of the government-wide data standards established by OMB and Treasury.

We conducted this audit and selected our sample of spending data in accordance with the Inspectors General Guide to Compliance under the DATA Act, developed by the FAEC DATA Act Working Group in consultation with GAO.

Data Reliability

To assess the reliability of DOL's DATA Act submission, we used an approach consistent with the methodology outlined in the FAEC Data Act Working Group's Inspectors General Guide to Compliance under the DATA Act. For the summary-level data reported in File A, we compared the applicable data elements to the information contained in OMB's SF-133 to determine if all transactions, including all Treasury Account Symbols, were included for the reporting period. For the summary-level data reported in File B, we confirmed the data included all Treasury Account Symbols from File A and verified File B totals with File A. We also compared object class codes and program activity codes to those defined in OMB Circular A-11 and the President's Budget. For the award-level data reported in File C, we assessed DOL's process for determining which object classes contained award-level information and its methodology for ensuring File C's completeness. Based on our data reliability assessment and tests, we concluded that the data reported in File C was complete and suitable for sampling.

Sampling

To develop our sampling plan, we followed the approach outlined in the FAEC Data Act Working Group's Inspectors General Guide to Compliance under the DATA Act. File C contained a population of 1,718 transactions, from which we selected a statistically valid, random sample of 264 transactions using ACL Analytics software. This allowed us to maintain a 95 percent confidence level and a sampling precision of plus or minus 5 percent, based on an expected error rate of 74 percent.[16]

To assess accuracy, we verified the reported data for a sampled transaction against the underlying source documents from DOL's award systems. To assess completeness of the sampled transactions, we evaluated whether each sampled transaction contained all the required data elements for that particular transaction. To assess timeliness, we verified that DOL reported all sampled transactions in accordance with the reporting schedules defined by FFATA, FAR, FPDA-NG, DAIMS, and the Broker. We determined the quality of the data using

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[16] We used an expected error rate of 74 percent based on the sampled transaction error rates identified in our previous DATA Act audit and the sampling methodology prescribed in the Inspectors General Guide to Compliance under the DATA Act.

the error rates for accuracy, completeness, and timeliness. We used the highest of the three error rates as the determining factor of quality.

INTERNAL CONTROLS

In planning and performing our audit of DOL's financial and award data submitted for the quarter ending December 31, 2018, we considered internal controls that were relevant to our audit objectives by obtaining an understanding of those controls, and assessing control risk for the purposes of achieving our objectives. The objective of our audit was not to provide assurance on the internal controls; therefore, we did not express an opinion on the internal controls as a whole. Our consideration of DOL's internal controls relevant to our audit objectives would not necessarily disclose all matters that might be reportable conditions. Because of the inherent limitations on internal controls, noncompliance may nevertheless occur and not be detected.

To assess the effectiveness of DOL's internal controls over its DATA Act submission, we interviewed officials and reviewed policies and procedures related to DOL's data submission process, including the Department's process for validating the data and resolving variances. We also reviewed the Senior Accountable Official's assurance over the data submitted and supporting documentation such as validation and reconciliation reports.

We attempted to understand any risks identified by the Department as it related to DATA Act reporting. However, while DOL officials informed us they assessed risks specific to DATA Act reporting through the Department's Enterprise Risk Management process, they did not provide any documentation of specific risks identified. Had the officials provided this information, we may have identified additional opportunities to enhance internal controls to mitigate risks over DATA Act reporting.

CRITERIA

We used the following criteria in conducting this audit:

- DATA Act Information Model Schema Data Dictionary, Version 1.3
- Digital Accountability and Transparency Act of 2014 (May 9, 2014)
- GAO-14-704G, *Standards for Internal Control in the Federal Government (Green Book)* (September 10, 2014)
- OMB Circular A-123, *Revisions to OMB Circular A-123, Management's Responsibility for Internal Control* (December 21, 2004)

- OMB Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Informatio*n (May 3, 2016)
- OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* (May 8, 2015)
- OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability* (November 4, 2016)
- OMB Memorandum 18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk* (June 6, 2018)

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor   Office of the Chief Financial Officer
Washington, D.C. 20210

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General for Audit

FROM: JAMES WILLIAMS
Chief Financial Officer

SUBJECT: Draft Report Number: 03-20-001-13-001: "DATA Act: DOL's
Reported Data Generally Met Quality Standards but Accuracy
Issues Remain"

Please find the attached management's response to Draft Report No. 03-20-001-13-001, "DATA
Act: DOL's Reported Data Generally Met Quality Standards but Accuracy Issues Remain".

We appreciate the opportunity to provide input and look forward to continued collaboration with
the OIG audit team.

Please contact me if you have any questions.

Attachment

cc: Kevin Brown, Senior Accountable Official – DATA Act
Bryan Slater, Assistant Secretary for Administration and Management
Carl Campbell, Chief Procurement Officer
Jennifer DiGiantommaso, Director of Financial Reporting
Laura Watson, Administrator, Office of Grants Management

Management Response to OIG Draft Report No. 03-20-001-13-001

The Department of Labor (DOL or Department) appreciates the Office of the Inspector General's (OIG) acknowledgement that the accuracy and quality of DOL's reported data vastly improved since 2017. The Department values the role of the OIG in identifying areas for improvement in our DATA Act reporting. The Department remains committed to continued improvement in reporting accurate and reliable spending data to ensure that the public understands how DOL spends its funds.

OIG Recommendation No. 1

1. Review the errors identified by our audit and, where appropriate, correct the errors in DOL's source systems and develop corrective action plans to address the underlying causes for data elements with significant errors.

Relating to Object Class Code (OCC) and Program Activity Code (PAC) errors that were identified during the audit, the Department believes that the extent of work required to correct these issues are not of benefit to the American taxpayers due to the level of effort involved in doing so for FY14-FY16. As for 2017 and beyond, we have put measures in place to ensure all new documents have accurate information. Old documents (prior to FY 2017) will continue to be reported with existing codes. With regard to the default OCC that is new for FY 2019, the Department is taking the same position in that documents posted prior to FY 2019 created using the default OCC will continue to be reported as such. Any document created in FY 2019 or later are to be created with current and valid OCC and we have added this to the measures noted above.

In regard to the Unique Record Identifiers (URI), the Department created a working group that included the Service Provider (SP) to research a process to report URIs in File C for transactions that do not have a unique combination of Federal Assistance Identification Number (FAIN) and modification number. The working group has completed the initial requirements for system modifications to both the Grant feeder system and the New Core Financial System (NCFMS) necessary to meet Data Act URI reporting requirements. The Office of the Chief Financial Officer (OCFO) is in the initial stages of finalizing the development schedule with stakeholders.

The Office of the Assistant Secretary for Administration and Management will develop a corrective action plan that includes an approach focused on training contracting officers and contract specialists on these findings to prevent future errors on data elements within the DOL Contract Writing System and the Federal Procurement Data System-Next Generation (FPDS-NG). Moreover, the corrective action plan will also include OASAM consulting with its FPDS-NG Quality Assurance contractor (Potomac Wave) to continue to conduct data validation and verification services and request that FPDS-NG records be specifically targeted for data elements with significant error rates.

The Department will make changes in its source systems to address the exceptions identified by the OIG in its audit to the extent feasible. However, there will be instances where corrections will not be feasible, such as the OCC and PAC codes discussed above, as well as instances where the impacted grants and contracts have already been closed.

OIG Recommendation No. 2

2. Issue guidance to ensure Contract Specialists accurately input the Period of Performance Start Date into the procurement system's Effective Date field.

As stated in response to Recommendation No. 1, the implementation of training and enhancements to validation and verification services, will address data elements with significant error rates. This will highlight already established guidelines within the Federal Acquisition Regulation to ensure consistent and accurate reporting of the Period of Performance Start Date for contract actions.

In regards to the Period of Performance (POP) Start Date, it is important to note that modifications are executed to make a change or multiple changes within a contract action. When executing a modification to change the POP, it is required to explicitly cite this change within the modification language, the OIG sampling did not include an exception based on a POP change. Further, 20 out of the 25 modifications in the sampling are correctly recorded and were for incremental funding or exercising the option of the contract actions, these changes do not require editing the POP.

OIG Recommendation No. 3

3. Identify risks specific to DATA Act reporting and take appropriate action to ensure internal controls address the resulting areas of concern.

The Department considered the DATA Act requirements, previous audit results, and internal standard operating procedures (SOP) to assess the risks related to the reporting and implementation of the DATA Act. Internal controls and process improvements have been implemented in response to these risks. The various agencies within the Department detailed these internal controls and process improvements to the OIG audit team through process walkthroughs and sharing of procedural documentation. DOL will continue to monitor and ensure internal controls are in place to address areas of concern.

APPENDIX C: ACKNOWLEDGEMENTS

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