



OFFICE OF INSPECTOR GENERAL

U.S. Department of Energy

SPECIAL REPORT

OIG-SR-17-03

November 2016

**THE DEPARTMENT OF ENERGY'S
READINESS TO IMPLEMENT THE
DIGITAL ACCOUNTABILITY AND
TRANSPARENCY ACT OF 2014**



Department of Energy
Washington, DC 20585

November 29, 2016

MEMORANDUM FOR THE SECRETARY

FROM:

A handwritten signature in black ink, appearing to read "Rickey R. Hass".

Rickey R. Hass
Acting Inspector General

SUBJECT:

INFORMATION: Special Report on “The Department of Energy’s Readiness to Implement the Digital Accountability and Transparency Act of 2014”

BACKGROUND

The *Digital Accountability and Transparency Act of 2014* (DATA Act), enacted on May 9, 2014, required Federal agencies to report on financial and payment data elements in accordance with standards established by the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB). Agency reported data will be made available to taxpayers and other stakeholders on a Web site operated by Treasury in consultation with OMB. To assist agencies with the implementation of DATA Act requirements, Treasury and OMB developed an eight-step process to streamline implementation efforts. The process included, among other things, organization of a DATA Act working group, inventory of existing agency data, and implementation of needed changes to information technology systems and business processes to capture required data. The eight-step process is outlined in Attachment 1.

The DATA Act also required each Office of Inspector General (OIG) to report on the completeness, timeliness, quality, and accuracy of data and the use of data standards by their cognizant agency. In preparation for the initial report to be issued by November 2017, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) encouraged the OIG community to undertake DATA Act “readiness reviews” using the *Data Act Readiness Review Guide* developed by the Federal Audit Executive Council, a component of CIGIE. The guide assisted the OIG in gaining an understanding of planned or implemented processes, systems, and controls to be used for reporting DATA Act requirements. Using this guide, we conducted our review to determine whether the Department of Energy made adequate progress implementing the DATA Act requirements.

RESULTS OF REVIEW

We did not identify any significant weaknesses during our review and noted that the Department appeared to be on track to meet the requirements of the DATA Act. We also found that the Department had made significant progress addressing the elements included in the Treasury/OMB eight-step implementation process. Specifically, we determined that the

Department had taken action to address each of the planning steps included in the DATA Act readiness review guidance and was well-positioned to execute and implement goals within the required timeframes.

Planning for DATA Act Implementation

We found that the Department had adequately planned for implementation of the DATA Act, including organizing a working group; reviewing data elements and taking inventory of relevant data used by the Department; and developing an implementation plan. For instance, we noted the following:

- The Department selected the Deputy Chief Financial Officer as the Senior Accountable Officer responsible for ensuring effective implementation of DATA Act requirements. Furthermore, in April 2015, the Department established an internal working group of Senior Executives and other high ranking officials from the Office of the Chief Financial Officer. These working group participants were selected because of their intimate knowledge of the Department's budget, financial, and procurement information systems. We noted that the working group was chaired by the Senior Accountable Officer and generally met at least biweekly to discuss the Department's progress towards implementing the DATA Act requirements.
- Beginning in May 2015, the internal working group reviewed and inventoried all required data elements to determine how these elements were used across the Department's business processes, systems, and applications. The working group mapped at least 57 required data elements to existing Department financial and procurement systems. We noted that the primary Department systems used to support financial and procurement activities are the Standard Accounting and Reporting System (STARS) and the Strategic Integrated Procurement Enterprise System (STRIPES). In addition to maintaining Federal information, an official stated that the systems also contain financial data from other Department elements such as management and operating contractors. In a number of instances during the mapping process, officials identified gaps between the required data elements and the reporting functionality of STARS and STRIPES. Based on these identified gaps, officials submitted and executed system change requests, as appropriate.
- In accordance with Federal requirements, the Department developed a strategy to plan for changes to information systems and business processes and to develop cost estimates for implementing the DATA Act. Specifically, the Department developed and submitted an implementation plan to OMB that included multiple options for implementing DATA Act requirements. An official noted that the desired option for meeting the requirements was to allow for automated extraction of data from the Department's information systems by using software vendor patches. Alternatively, the Department is also developing an extraction process as a contingency, in which it will be able to extract and format data prior to submitting to Treasury/OMB. As required by OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, we also determined that the implementation plan included cost estimates, projected timelines, project plans, data flow charts, and potential challenges for

implementing the DATA Act. Notably, the Department updated its implementation plan in August 2016 and revised the milestones and timeline necessary for completing the remaining DATA Act implementation requirements.

DATA Act Execution

Based on the information available at the time of our review, we determined that the Department was on track to execute the requirements of the DATA Act. While requirements could change and new challenges could affect the Department's progress, we noted the following planned actions:

- After the Department completed its data mapping as part of the planning process, it extracted the required budget, financial, and procurement information into an acceptable electronic file format. The file was submitted to Treasury for testing within its pilot DATA Act Broker¹ system, and Treasury provided the results of format testing to the Department. While a number of errors related to missing or incorrectly formatted data existed, there were no significant weaknesses identified during the testing that would prevent the Department from meeting future DATA Act requirements. The Department anticipates completing corrective actions related to modification of data extracts by December 23, 2016.
- Although the Department plans to have formatting issues remediated by December 23, 2016, its implementation plan indicated that validating data quality should be completed by the end of April 2017. Specifically, officials plan to create and test internal validation and reconciliation reports for STARS and STRIPES that should ensure the completeness and accuracy of financial and procurement data. In accordance with DATA Act requirements, the Department has until April 30, 2017, to complete its testing and submit data to the Treasury Broker system.
- While an official from the Office of the Chief Financial Officer stated that he did not anticipate any significant changes to the Department's systems to meet the requirements of the DATA Act, its software vendor was developing system patches to allow the Department to easily extract the required data elements in the correct format. The Department and its software vendor anticipate implementing the patches in April 2017. In the event the patches are not available or working as intended, the Department will continue to use the existing processes.

SUMMARY

As previously stated, nothing came to our attention to indicate that the Department is not on track to meet DATA Act requirements by April 30, 2017. We found that the Department's planning efforts should support successfully implementing the DATA Act. In addition, while the potential exists that the requirements may change, the Department's actions to date have positioned it to successfully execute the requirements of the DATA Act.

¹ The Broker system is an information technology system developed by Treasury to standardize data formatting and assist agencies in validating their data submissions before being uploaded to the DATA Act public Web site.

Attachments

cc: Deputy Secretary
Chief of Staff
Chief Financial Officer

DATA ACT IMPLEMENTATION PLAYBOOK VERSION 2.0

The Department of the Treasury issued *DATA Act Implementation Playbook, Version 1.0* in June 2015 to assist agencies in meeting their reporting requirements under the *Digital Accountability and Transparency Act of 2014* (DATA Act). *DATA Act Implementation Playbook, Version 2.0* (Playbook) provides updated recommended steps and guidance that is consistent with progress made since Version 1.0 was issued. The Playbook primarily focuses on information designed to assist agencies with working through their process to implement the DATA Act.

8-STEP PLAN FOR AGENCIES	
1. Organize Team	Create an agency DATA Act working group including impacted communities (e.g., Chief Information Officer, Budget, Accounting, etc.) and identify a Senior Accountable Officer.
2. Review Elements	Review list of DATA Act elements and participate in data definitions standardizations.
3. Inventory Data	Perform inventory of agency data and associated business processes.
4. Design & Strategize	Plan changes (e.g., adding award identification 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.
5. Execute Broker	Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema) iteratively.
6. Test Broker Implementation	Test Broker outputs to ensure data are valid iteratively.
7. Update Systems	Implement other changes iteratively (e.g., establish linkages between program and financial data, capture any new data).
8. Submit Data	Update and refine the process (repeat 5-7 as needed).

OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVE

We conducted this review to determine whether the Department of Energy made adequate progress implementing the requirements of the *Digital Accountability and Transparency Act of 2014* (DATA Act).

SCOPE

The review was performed from May 2016 to November 2016 at Department Headquarters in Germantown, Maryland. The DATA Act requires that the Office of Inspector General (OIG) report on the completeness, timeliness, quality, and accuracy of data and the use of data standards by the agency. In preparation for future OIG review, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) encouraged the OIG community to undertake DATA Act “readiness reviews” at their respective agencies to gain an understanding of planned or implemented processes, systems, and controls used to report on DATA Act requirements. The review was conducted under OIG project number A16TG041.

METHODOLOGY

To accomplish our objective, we:

- Reviewed the DATA Act and the *Federal Funding Accountability and Transparency Act of 2006*;
- Reviewed applicable guidance and standards issued by the Office of Management and Budget (OMB), including OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, and the *DATA Act Implementation Playbook*, Versions 1.0 and 2.0;
- Reviewed prior reports and testimonies issued by the Government Accountability Office related to the DATA Act;
- Held discussions with the Department’s DATA Act internal working group to gain an understanding of the processes, systems, and controls that the Department implemented, or plans to implement, to report financial and payment data in accordance with the requirements of the DATA Act; and
- Utilized the *FAEC Data Act Working Group Data Act Readiness Review Guide*, Versions 1.0 and 2.0, to evaluate the Department’s progress towards implementing the DATA Act requirements.

Management waived an exit meeting on November 3, 2016.

RELATED REPORTS

Government Accountability Office

- [*DATA ACT: Improvements Needed in Reviewing Agency Implementation Plans and Monitoring Progress*](#) (GAO-16-698, July 2016). The Government Accountability Office (GAO) noted that the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have not designed and implemented controls or fully documented processes related to the review and use of agency implementation plans for the *Digital Accountability and Transparency Act of 2014* (DATA Act). OMB officials stated that their purpose for directing agencies to submit implementation plans was to use the implementation cost estimates to assist them in formulating the fiscal year 2017 budget, while Treasury officials stated that the purpose of their review of the plans was to facilitate discussions with the agencies. In addition, OMB and Treasury staff initially informed GAO that they were not going to request that agencies submit updated implementation plans that considered the new technical requirements and guidance released in April 2016. However, in June 2016, OMB requested updated implementation plans by August 12, 2016, but only from agencies under *The Chief Financial Officers (CFO) Act of 1990*.
- [*DATA ACT: Progress Made but Significant Challenges Must Be Addressed to Ensure Full and Effective Implementation*](#) (GAO-16-556T, April 2016). During testimony, it was noted that the lack of key guidance from OMB and Treasury has slowed the ability of agencies to operationalize the data standards. GAO also found that Treasury's technical guidance continues to evolve and lacks finality, which may impede agency implementation. Treasury has issued several iterative versions of the technical schema that describes the standard format for reporting elements. Each iteration resulted in revisions to the technical guidance, which may adversely affect the timely implementation of the DATA Act. A finalized technical schema would provide agencies with a stable base from which to develop data submission plans and processes.
- [*DATA ACT: Data Standards Established, but More Complete and Timely Guidance Is Needed to Ensure Effective Implementation*](#) (GAO-16-261, January 2016). GAO noted that agencies need the technical guidance and the intermediary service from OMB and Treasury to be finalized before they can develop detailed agency-level implementation plans. If this guidance is not aligned with agency implementation timelines, agencies may delay taking key steps or need to revise existing plans once final technical guidance is released, which would hinder their ability to meet the requirements of the DATA Act.

FEEDBACK

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