

OFFICE OF INSPECTOR GENERAL



**Independent Audit of the
U.S. Federal Election Commission's Compliance with the
Digital Accountability and Transparency Act of 2014
*Assignment No. OIG-19-02***

Prepared by: Brown and Company

November 2019

Federal Election Commission - Office of Inspector General
1050 First Street, N.E., Suite 1010, Washington, D.C. 20463



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463
Office of Inspector General

TRANSMITTAL MEMORANDUM

TO: The Commission

FROM: Christopher Skinner
Inspector General 

SUBJECT: Final Audit Report – Brown and Company’s Audit of the Federal Election Commission’s (FEC) Compliance with the *Digital Accountability and Transparency Act of 2014* (the DATA Act)¹

DATE: November 8, 2019

ENCLOSURE:(1) Independent Audit of the U.S. Federal Election Commission’s Compliance with the Digital Accountability and Transparency Act of 2014

The OIG contracted with Brown & Company to conduct the FEC fiscal year (FY) 2019 DATA Act audit. As a result, the enclosed report provides four (4) findings and five (5) recommendations that, if adequately implemented, will improve the overall accuracy and timeliness of FEC’s data submissions.

This performance audit was conducted in accordance with the Government Auditing Standards issued by the Government Accountability Office (GAO) and modeled after the Council of Inspectors General for Integrity and Efficiency (CIGIE) IG Guide to Compliance under the DATA Act.² The primary objective of the engagement was to satisfy the OIG’s responsibilities under the DATA Act by assessing the: (1) completeness, timeliness, quality, and accuracy of financial and payment data submitted for publication on USASpending.gov; and (2) the FEC’s implementation and use of Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Treasury.

The OIG reviewed Brown & Company’s report and related documentation and provided the required oversight throughout the course of the audit. Our review is permitted to ensure the accuracy of the audit conclusions but not to express an opinion of its results. The OIG’s review indicated that Brown & Company complied with all required Government Auditing Standards.

We conclude that the FEC properly implemented and made proper use of the Government-wide financial data standards. Additionally, we acknowledge that the FEC made significant improvements with the procurement data elements recorded in File D1.

¹ The DATA Act, Public Law 113-101, requires the establishment of Government-wide standards for information on spending by Federal agencies, and all agencies must report spending data in compliance with the DATA Act. The OMB Management Procedures Memorandum No. 2016-03, data reported by Federal agencies in the second quarter for FY 2017 will be displayed on USASpending.gov by May 2017.

² The IG Guide to Compliance under the DATA Act presents a common methodological and reporting approach for the IG community to utilize in the conduct of its mandated assignments.

Detailed award level testing was performed on 100% of the 26 records included in File D1 and of the records tested, we determined that:

- 95% of data elements were complete;
- 88% of the data elements were timely; and
- 93% of the data elements were accurate

While the FEC's DATA files included most of the required information, we identified one control deficiency which impacted the completeness, timeliness, and accuracy of File C³ and D1 submissions.⁴

A copy of the final audit report will be provided to the appropriate Congressional oversight committees, the GAO, OMB, and the Treasury. In addition, the report will be posted to the OIG's web page and Oversight.gov.

In accordance with FEC Directive 50, Audit Follow-Up, FEC management shall provide a draft corrective action plan (CAP) to the OIG no later than 30 days from the final report date. Subsequently, the OIG shall review and provide comments, if necessary, to the CAP within 15 days of receipt. Management shall provide the OIG an electronic copy of the CAP once finalized.

The initial OIG follow-up meeting to discuss outstanding audit recommendations will be held six (6) months from the issuance of the final report date.

We appreciate the collaboration and support from FEC staff and the professionalism that Brown & Company exercised throughout the course of the audit. If you have any questions concerning the enclosed report, please contact my office at (202) 694-1015.

Thank you.

cc: John Quinlan, Chief Financial Officer
Alec Palmer, Staff Director/Chief Information Officer
Gilbert A. Ford, Director of Budget
Gena Braveboy, DATA Act Implementation Program Manager

³ File C contains the financial information for procurement actions.

⁴ Please see Finding one (1) of the enclosed report for additional information.

**Independent Audit of the
U.S. Federal Election Commission's Compliance with the
Digital Accountability and Transparency Act of 2014**



**Fiscal Year 2019
FEC IG Report No.
FEC-OIG-02
November 08, 2019**

Prepared by

**Brown & Company Certified Public Accountants and Management
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BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

To: Mr. Christopher Skinner, Inspector General
Federal Election Commission
Office of Inspector General
1050 First Street, NE
Washington, DC 20463

From: Brown & Company CPAs and Management Consultants, PLLC

Subject: Memo to Transmit the Independent Accountant's Report of the Audit of the Federal Election Commission's Compliance with the Digital Accountability and Transparency Act of 2014 Submission Requirements, for Fiscal Year 2019

Date: November 8, 2019

Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) was engaged to perform a performance audit of the U.S. Federal Election Commission's (FEC) compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act), for Fiscal Year 2019 as required by the Act. This memo serves as the transmittal memo to the Office of Inspector General (OIG), FEC.

Brown & Company is providing the FEC's management with this *Final Report* for review and comment.

It was a pleasure working with the various individuals with the OIG's office as well as the individuals at the FEC who provided the information included in the audit report.

Potentially Sensitive But Unclassified

**U.S. Federal Election Commission
Independent Accountants’ Report on the Compliance with the
Digital Accountability and Transparency Act of 2014 Submission
Requirements for Fiscal Year 2019**

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Independent Auditor's Report

Office of Inspector General for
United States Federal Election Commission
Washington, DC

The Office of Inspector General for United States Agency for the United States Federal Election Commission (FEC) contracted Brown & Company CPAs and Management Consultants, PLLC, to conduct a performance audit of FEC's fiscal year (FY) 2019 first quarter financial and award data as of December 31, 2018, in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act). To clarify the reporting requirements under the DATA Act, the Office of Management and Budget (OMB) and U.S. Department of Treasury (Treasury) published 57 data definition standards and required Federal agencies to report financial and award data on USASpending.gov.

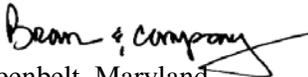
The audit objectives were to assess (1) completeness, timeliness, quality, and accuracy of FEC's FY 2019 first quarter financial and award data submitted to Treasury for publication on USASpending.gov and (2) FEC's implementation and use of the government-wide financial data standards established by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

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

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

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

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


Greenbelt, Maryland
November 8, 2019

U.S. Federal Election Commission
Independent Accountants' Report on the Compliance with the
Digital Accountability and Transparency Act of 2014 Submission
Requirements for Fiscal Year 2019

Background

U.S. Federal Election Commission

The Federal Election Commission (FEC) administers and enforces federal campaign finance law. Established in 1974, opened in 1975, the mission of the FEC is to protect the integrity of the federal campaign finance process by providing transparency and fairly enforcing and administering federal campaign finance laws. The FEC ensures disclosure requirements are met for political funding efforts.

The FEC is required to comply with the Accountability of Tax Dollars Act of 2002 (ATD Act) to have its financial statements audited annually, and the Digital Accountability and Transparency Act of 2014 (DATA Act) for FY 2019 and 2021 to improve the ability of Americans to track and understand government spending. The FEC Office of Inspector General (OIG) has oversight and/or reporting requirements that are mandated by these government-wide Acts. For this reporting period, the FEC OIG contracted out the mandated audit services to an independent public accounting (IPA) firm and performs oversight of these services and the contract terms.

The DATA Act

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

The DATA Act was enacted May 9, 2014, to expand the reporting requirements pursuant to FFATA. The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with the established government-wide financial data standards. In May 2015, OMB and U.S. Department of Treasury (Treasury) published 57 data definition standards (commonly referred to as data elements) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting in January 2017. Subsequently, and in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USASpending.gov for taxpayers and policymakers in May 2017.

The DATA Act also requires Inspectors General (IG) to issue a report to Congress assessing the completeness, timeliness, accuracy, and quality of a statistical sample of spending data submitted by the agency and the agency's implementation and use of the data standards. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first IG reports were due to

¹ Public Law 113-101 (May 9, 2014)

Congress in November 2016; however, federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with two subsequent reports, each following on a 2-year cycle. On December 22, 2015, CIGIE's chair issued a letter memorializing the strategy for dealing with the reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. **See Appendix C for the CIGIE's DATA Act Anomaly Letter.**

Starting in FY 2019, OMB Circular A-123, Appendix A, Management of Reporting and Data Integrity Risk (M-18-16), established that agencies must develop a Data Quality Plan (DQP) to identify a control structure tailored to address identified risks. Quarterly certifications by the Senior Accountable Officials (SAO) should be based on the considerations of the agency's DQP.

Purpose

The DATA Act, in part, requires Federal agencies to report financial and award data in accordance with the established government-wide financial data standards.

Objective

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

Scope and Methodology

We followed guidance from the CIGIE's Federal Audit Executive Council (FAEC)². The FAEC guide documents a common methodological framework, developed in consultation with the U.S. Government Accountability Office (GAO), for IGs to conduct required DATA Act reviews. We also reviewed applicable laws, regulations, FEC policies and procedures, and other documentation related to the DATA Act. We examined the total population of 26 records in File D1 for FY 2019 first quarter financial and award data submitted by the agency for publication on USAspending.gov.

The scope includes examining DATA Act information reported in FEC's FY 2019 first quarter financial and award data files listed below:

- File A: Appropriations Account,
- File B: Object Class and Program Activity,
- File C: Award Financial, and
- File D1: Award (Procurement).

² CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, February 14, 2019.

We conducted our fieldwork from July 3, 2019 through October 23, 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Additional details on our scope and methodology are outlined in Appendix A.

Summary Result of Testing

Completeness and Timeliness of the Agency Submission

We evaluated FEC's DATA Act submission to Treasury's DATA Act Broker and determined that the submission was timely. We determined the timeliness of the agency submission by verifying the date of the certification of the submission in the Treasury DATA Act Broker within the established timeframe determined by the Treasury DATA Act Project Management Office (PMO), traditionally within 45 days of quarter end. Due to the government shutdown between December 22, 2018 and January 25, 2019, the due date for agency submissions for FY 2019 first quarter data was March 20, 2019. FEC completed their DATA Act submission on March 20, 2019.

To be considered a complete submission, we evaluated Files A, B, C, and D1 to determine that all transactions and events that should have been recorded were recorded in the proper period. We concluded that File A and B submissions are complete. However, FEC DATA Act submission for Files C and D1 are not complete due to the following:

- We identified 9 unique awards missing from File D1;
- We identified 10 unique awards missing from File C; and
- We identified 1 unique award that should not have been recorded in File C

Some of these errors were attributed to the Agency and some were attributed to the Federal Shared Service Provider (FSSP) not processing award transactions timely in the financial system. For more information, see the Audit Finding Section: Finding1 and summarized in Tables 3 and 4.

Based on our testing results listed above, we determined that File C was not complete nor suitable for detailed testing of award level spending data.

Summary-Level Data and Linkages for Files A and B

We reconciled Files A and B to determine if they were accurate. Additionally, we tested the linkages between Files A and B to determine if the linkages were valid and to identify any significant variances between the files. Based on our testing, we determined that Files A and B are accurate and we did not identify significant variances between Files A and B.

Reconciliation and Linkages for Files C and D1

We reconciled Files C and D1 to determine if they were accurate, and tested the linkages between Files C and D1 to determine if the linkages were valid and to identify any significant variances between the files. Based on the number of discrepancies noted above for completeness, we conclude that Files C and D1 FY 2019 first quarter submissions are not accurate. **For more**

information, see **Finding and Recommendations Section: Finding 1 and summary Tables 3 and 4.**

Record-Level Award Data and Linkages for Files C and D1

We examined the total population of 26 records in File D1 and tested 57 data elements (as applicable) for completeness, accuracy, and timeliness.

Completeness of Data Elements

The projected error rate for the completeness of the data elements is 5.13%. A data element was considered complete if the required data element that should have been reported was reported.

Timeliness of the Data Elements

The projected error rate for the timeliness of the data elements is 11.90%. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements (FFATA, Federal Acquisition Regulation (FAR), Federal Procurement Data System Next Generation (FPDS-NG), and DATA Act Information Model Schema (DAIMS)).

We tested the timeliness of reporting records into FPDS-NG by comparing the contract date to the prepared date in FPDS-NG. We noted that 2 PIIDs listed in File D1 were not recorded within 3 business days after contract award in accordance with FAR Part 4.604. **For more details, see the Audit Findings and Recommendations Section: Finding 3 and summarized in Table 7.**

Accuracy of the Data Elements

The projected error rate for the accuracy of the data elements is 6.89%. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS, Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agree with the authoritative source records. **For more details, see the Audit Findings and Recommendations Section: Finding 2 and summarized in Table 6.**

We acknowledge that the FEC has made considerable improvement in the accuracy of data elements recorded in File D1. While the overall accuracy of applicable data elements is 93.11%, we noted significant discrepancies with some of the dollar-value related data elements (DE14 and DE15) and the agencies sourced records (see Table 1 below).

We note that most if not all of these discrepancies are not attributable to the FEC. The totals for these applicable data fields are recalculated in FPDS-NG based on all modifications that are finalized in the system at a given point in time. Individual FPDS-NG contract action reports show a “running total”, as of the current date, that may be different than the actual value at the time of the award for the sampled procurement award. As a result, data for the Current Total Value of Award (DE14) and Potential Total Value of Award (DE 15) will be inconsistent with the contract award selected for testing which may overstate the error rates for these elements.

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

Table 1 - Analysis of the Accuracy of Dollar Value-related Data Elements

Accuracy of Dollar-Value Related Data Elements							
PIID /FAIN	Data Element	Accurate	Not-Accurate	Not-Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	11	26	0	0	26	0%	\$ 0
PIID	14	24	2	0	26	8%	\$ 553,047
PIID	15	21	5	0	26	19%	\$ 1,333,952
	Total	71	7	0	78		

Quality of the Data Elements

To assess the quality of the data elements, we used the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy and timeliness. The highest of the three error rates was used as the determining factor of quality. Table-2 provides the range of error in determining the quality of the data elements.

Table 2 - Range of Error for Data Quality³

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

Based on our test work and the highest error rate of 11.90%, we determined that the quality of FEC’s data is considered of “Higher” quality.

Implementation and Use of the Data Standards

We have evaluated FEC’s implementation and use of the government wide financial data standards for spending information as developed by OMB and Treasury. FEC has fully implemented and are using those data standards as defined by OMB and Treasury. For the broker files tested, we generally found that the required elements were present in the file and that the record values were presented in accordance with the standards. For example, broker files contained such identifiers as main account code, subaccount code, and program activity. The summary of results for record-level data elements (Files C and D1) are shown in Appendix B.

³ CIEGIE FAEC Inspectors General Guide to Compliance under the Data, provides a range of errors for determining the quality of the data elements.

Assessment of Internal Control over Source Systems

There are three systems used by FEC for DATA Act reporting: Comprizon. Buy a procurement management system for processing procurement awards; FPDS-NG a federal procurement data system for reporting procurement awards; and Pegasys a Financial Management System managed by United States Department of Agriculture (USDA) which is FEC's FSSP.

FEC uses Comprizon. Buy and Pegasys as its source systems for processing and recording procurement and financial data respectively, and for generating its DATA Act submission. We performed procedures to determine whether internal controls over these systems, as they relate to its FY 2019 first quarter DATA Act submission, were properly designed, implemented, and operating effectively. Those procedures consisted of:

Gaining an understanding of the source systems used for recording procurement transactions and reporting under the DATA Act.

- Reviewing USDA, Statement on Standards for Attestation Engagement No. 18 Report on Controls at National Finance Center for October 1, 2018 to July 31, 2019, for Pegasus and determining whether any issues were noted that could have an impact on the accuracy, timeliness, or quality of the DATA Act submission.
- Obtaining an understanding of Complementary User Entity Controls (CUECs) required by the SOC report and implemented by FEC to determine whether gaps exist that might impact the accuracy, timeliness, or quality of the DATA Act submission.
- Reviewing FEC's FY 2018 Financial Statements to identify findings that could affect the reliability of the source system or data produced from it.

We found that FEC has designed and implemented effective internal controls over the applicable source systems.

Assessment of Internal Controls over DATA Act Submission

We performed inquiry and reviewed control processes to determine whether internal controls over the DATA Act Submissions are adequate and operating effectively. Overall, we found that internal controls implemented over FY 2019 first quarter DATA Act submission has improved. However, they are not sufficient to ensure that discrepancies between Files C and D1 are identified and corrected prior to transmitting/certifying the data. Although the FEC DATA Act program team works to resolve warnings and errors in its DATA Act submission, all issues identified that require correction by the FSSP are not corrected timely. In addition, the FEC does not reconcile Files C and D1 prior to certifying the DATA Act submission to ensure completeness, accuracy and timeliness of reporting. For more information, see the Audit Findings and Recommendations Section: Finding 1.

FEC has not developed a DQP. According to OMB Circular A-123, Appendix A, Management of Reporting and Data Integrity Risk (M-18-16), agencies were required to develop a DQP to help assess internal controls over data stating with the FY 2019 annual assurance process. For more information, see the Audit Findings and Recommendations Section: Finding 4.

Audit Findings & Recommendations

Finding 1: FEC’s FY 2019 first quarter Files C and D1 submission were not complete, accurate, or timely and did not include all transactions and linkages.

Condition: The DATA Act File C report is generated and submitted quarterly by the FSSP for FEC’s review prior to submitting to the Treasury Broker. The DATA Act File D1 Award and Awardee Attributes for Procurement requires the reporting of procurement award and awardee data. FEC records this data on a daily basis into Comprizon.Buy and FPDS-NG. File D1 data is imported to the USDA Repository on a quarterly basis and used to validate the Award ID/PIID in File C. The FEC has a process to periodically review Broker warning reports to research potential errors and determine if corrections are needed. However, the FEC does not reconcile Files C and D1 prior to certifying the submission. As a result, all discrepancies between File C and D1 were not identified and/or corrected timely.

During our testing, we determined that FY 2019 first quarter File C submission did not include all transactions and linkages from File D1; and in addition, File D1 did not include all transactions and linkages from File C. As a result of follow-up performed, , we determined that File C was not complete or suitable for detailed testing. See Table 4 and 5 for detail of errors.

The difference between Files C and D1 are presented below.

Table 3 – Difference between Files C and D1

DATA Act File	Amount
File C – Total Obligation Amount	\$ 2,265,622
File D1 – Federal Action Obligation	\$ 1,616,329
Difference	\$ 649,293

Table 4 – File D1 Errors

No.	Award ID/PIID	Records	Amount	
Error – Records not recorded in File D1 and the errors were attributable to FEC.				
1	9531BP18G0002	1	(479,250.00)	Not processed prior to submission
2	9531BP18P0008	1	3,516	Not processed prior to submission
3	9531BP19A0006	1	(5,000.00)	Not processed prior to submission
4	FE9531BP17F0001	1	(4,186.00)	Not processed prior to submission
5	9531BP19G0004	1	(15,000)	Not processed prior to submission
6	9531BP19G0002	5	(14,700)	Not processed prior to submission
	Total	10	(514,620)	

No.	Award ID/PIID	Records	Amount	
Errors – Records recorded in File C and excluded in File D1 by the Agency				
7	9531BP19L0002	1	(432,351.00)	IAA /IGTs transactions
8	9531BP19G0003	1	(30,000.00)	IAA /IGTs transactions
9	9531BP18P0026	8	(120,441)	Other
	Total	10	(582,792)	
	Grand Total	20	(1,097,412)	

Table 5 – File C Errors

No.	Award ID/PIID	Records	Amount	
Error – Records recorded in File D1 and not recorded in File C. Errors were attributable to FSSP.				
1	9531BP18F0007	1	58,516	Not processed prior to submission
2	9531BP19F5002	1	10,000	Not processed prior to submission
3	9531BP19F5004	1	16,873	Not processed prior to submission
4	9531BP19F5005	1	68,459	Not processed prior to submission
5	9531BP19F5006	1	31,474	Not processed prior to submission
6	9531BP19F5007	1	4,500	Not processed prior to submission
7	9531BP19F5008	1	93,093	Not processed prior to submission
8	9531BP19P0002	1	10,571	Not processed prior to submission
	Total	8	293,486	
Error- Records not recorded in File C and not submitted to FSSP timely. The errors were attributable to the Agency.				
9	FE15G004	1	68,006	Not recorded into financial system
10	9531BP19P0007	1	138,364	Not recorded into financial system
	Total	2	206,370	
Errors – Record recorded in File C but not submitted timely. The award was signed in FY 2018 Quarter 4 and erroneously recorded in FY 2019. The error was attributable to the Agency.				
11	9531BP18C0005	1	(51,738)	FY18 Quarter 4 record processed in FY19
	Total	1	(51,738)	
	Grand Total	11	448,118	

Cause: There are several causes which include:

- FEC's does not have adequate control procedures to identify and correct discrepancies between Files C and File D1;
- FEC does not have a control process to ensure all award level transactions are included in the proper quarterly submission to the Treasury Broker; and
- FEC uses an internal management system to initiate, manage and approve awards in Comprizon.Buy; and thus, FEC enters awards into FPDS-NG which generates File D1. FEC relies on the FSSP to enter award data into Pegasys (financial management system) which generates File C. However, procurement award data is not always submitted and/or processed by the FSSP timely.

Effect: The inability to identify and correct data issues timely, increases the risk that data reported to USASpending.gov is not complete, accurate, and timely. This in turn decreases the reliability and usefulness of the data reported in the Federal spending.

Recommendation 1: We recommend the FEC OCFO document and implement a reconciliation process between File C and File D1 to ensure that discrepancies are identified and work with the FSSP to resolve File C errors prior to the SAO asserting to the completeness, timeliness and accuracy of DATA Act submission.

Recommendation 2: We recommend the FEC's management ensure that any records missing from File D1 identified through the reconciliation process are corrected in a timely manner.

Management's Response:

Management largely agrees with this finding and associated recommendations. The reduction in a number of issues from previous DATA Act reviews provides evidence of improvements due to the procedures instituted after those independent reviews. Additionally, FEC realizes DATA Act compliance challenges are visible throughout the government and with all shared service providers (SSP). In July 2019, GAO published a report number GAO-19-537 titled Customer Agencies' Experiences Working with Shared Service Providers for Data Submissions. GAO found that the 27 agencies that responded to its survey use SSP's for various DATA Act services. Sixteen of the 27 SSP customer agencies reported that they experienced challenges.

The continuing existence of discrepancies in FEC's DATA Act files, however, suggests that additional efforts are needed. The OCFO plans to institute a revised reconciliation procedure to identify discrepancies for quarter three of FY20 and will review tracking systems that assist in communication with the SSP to promote timely and accurate adjustments by the quarterly certification due dates. Additionally, we plan to review the procedures for processing procurement data to help reduce the number of discrepancies that arise during the reconciliation process. While we believe that these efforts can reduce discrepancies, ensuring that all discrepancies are resolved is likely an unrealistic standard, given the limited timelines and multiple data sets afforded by the DATA Act. Given this, in drafting a Data Quality Plan (NFR 2019-04), we plan to explore materiality

thresholds and high-risk areas for discrepancies. Our hope is that this approach will provide a framework for future independent reviews and lead to improvement in the underlying data submissions.

Management's complete response is provided in **Appendix D**.

Auditor's Evaluation of Management's Response

Management's response is appropriate to address the findings and recommendations. Documenting and implementing a reconciliation process between File C and File D1 would help to ensure discrepancies are identified and resolved prior to the submission of DATA Act files and improve the quality of the FEC's DATA Act reporting.

Finding 2: FY 2019 first quarter File D1 detail award-level spending data included inaccurate data elements.

Condition: OMB established data element requirements for compliance with the DATA Act. Treasury developed data schemas for reporting of this required data. The DATA Act File D1 Award and Awardee Attributes for Procurement requires the reporting of procurement award and awardee data. The FEC record this data on a daily basis in the FPDS-NG. File D1 data is imported to the USDA DATA Act Repository (Repository) on a quarterly basis and used to validate the Award ID in File C.

During our testing, we determined that FY 2019 first quarter File D1 included inaccurate data elements. We examined the total population of 26 records in File D1. For each sampled record, we evaluated whether standard data elements included in Files C and D1, were accurate. We examined contract documentation to determine the accuracy of the data and identified 20 data element errors. See Table 6 below for details.

Table 6 - Accuracy Results by Data Elements (Errors only)

PIID	DE	Description	Errors	
Errors in the Data Elements Not Attributable to FEC				
9531BP19P0005 9531BP19F5008 9531BP19F5004	3	Ultimate Unique Identifier	3	Unable to find the Ultimate Parent Unique identifier in D&B or SAM.
9531BP18P0027, (Mod 1 and 3)	14	Current Total Value of Award	2	Data element per File D1 did not agree with sourced records
9531BP18P0027 (Mod 1 and 3) 9531BP17C002 9531BP19F5008 FE15G004	15	Potential Total Value of Award	5	Data element per File D1 did not agree with sourced records
9531BP19F5006	30b & c	Primary Place of Performance Address	1	Primary Place of Performance Address is the awardee's mailing address
Total			11	
Errors in the Data Elements Attributable to FEC				
9531BP19F5002	16	Contract Award Type	1	Contract award type not stated in the contract.
9531BP19P0002	26	Period of Performance Start Date	1	Period of Performance Start Date entered incorrectly FDPS-NG
9531BP17F0043 9531BP17C002 9531BP18P0034	27	Period of Performance Current End Date	3	Period of Performance Current End Date entered incorrectly FDPS-NG
9531BP17F0043 9531BP17C002 9531BP18F0007 9531BP18P0034	28	Period of Performance Potential End Date	4	Period of Performance Potential End Date entered incorrectly FDPS-NG
Total			9	
Grand Total			20	

Cause: The total awards processed in FY 2019 first quarter had information included in File D1 that did not agree with the agency's underlying sourced records (e.g., contract, service agreement, modification) which were due to 1. Data entry errors; and 2. Errors (related to DE 14 and 15) attributable to how FPDS-NG is recalculating modifications that are finalized in the system at a particular point in time. Individual FPDS-NG contract action reports show a "running total", as of the current date, that may be a different value than the actual value at the time of the award for the sampled procurement award. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements will be inconsistent with the data reported File D1 which may overstate the error rates for these elements.

Effect: The inability to identify and correct data issues timely, increases the risk that data reported to USASpending.gov is not complete, accurate, or timely. This in turn decreases the reliability and usefulness of the data reported in the Federal spending.

Recommendation 3: We recommend that FEC’s management reinforce the control procedures and processes in place to ensure award level data is accurately entered into FPDS-NG and any DATA Act reporting errors are identified and corrected within three business days.

Management’s Response:

Management largely agrees with this finding and associated recommendation. The reduction of discrepancies to less than 10 percent of files represents improvement from previous reviews, but also indicates further improvements are needed. Additionally, over one-third of the remaining discrepancies result from known government-wide systems limitations. Given the number of records, DATA Act timelines and known systems based limitations, we believe the best approach is to c for discrepancies and institute a risk-based comparison with the source contract files. We intend to institute this by the third quarter of FY20. This process should reduce discrepancies, but likely will not ensure that all award level discrepancies are resolved. Similar to our response for NFR2019-1, we intend to explore materiality thresholds and high-risk areas for discrepancies in the development of the Data Quality Plan.

Management’s complete response is provided in **Appendix D**.

Auditor’s Evaluation of Management’s Response

Management’s response is appropriate to address the findings and recommendation. Implementing a process to ensure the accuracy and timeliness of award level data entered into FPDS-NG would help improve the quality of the data reported to USASpending.

Finding 3: FEC did not process two contract awards timely in FPDS-NG as required by FAR.

Condition: The DATA Act File D1 Award and Awardee Attributes for Procurement requires the reporting of procurement award and awardee data. The FEC records this data on a daily basis in the FPDS-NG. File D1 data is imported to the Repository on a quarterly basis and used to validate the Award ID in File C. If the two files do not match, the FEC works to reconcile the data.

We examined the total population of 26 records in File D1 for testing. We tested the timeliness for reporting records into FPDS-NG by comparing the contract date to the prepared date in FPDS-NG. We noted that 2 of 26 recodes listed in File D1 were not recorded within 3 business days after contract award in accordance with FAR Part 4.604.

The exception for timeliness in File D1:

Table 7 - Exceptions for Timeliness

PIID	Number of Days
9531BP17C002/ P00011	4
9531BP18F0007/ P00003	15

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

Reporting of the agency DATA Act submission to the DATA Act Broker is in accordance with the schedule established by the Treasury DATA Act Project PMO.

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

- Award financial data elements within File C should be reported within the quarter in which it occurred.
- Procurement award data elements within File D1 should be reported in FPDS-NG within 3 business days after contract award in accordance with the FAR Part 4.604.”⁴

Cause. The FEC’s control procedures are not adequate to ensure all procurement award data is entered in FPDS-NG within the timeframe to comply with the FAR.

Effect: There is a risk that untimely data reporting decreases the reliability and usefulness of the data reported in the Federal spending. In addition, increases the risk that the FEC may not be in compliance with applicable FAR requirements.

Recommendation 4: We recommend FEC’s management reinforce written policies and procedures and internal controls over reporting of procurement award data to ensure awards are entered into FPDS-NG within 3 business days.

Management’s Response:

Management agrees with this finding and recommendation. We are investigating an email notification reminder system for contract awards. The reminder system will help promote necessary data entry within three days to the FPDS system. In addition, we plan to explore a system for tracking instances where meeting the three-day timeframe is not possible due to system or other issues.

Management’s complete response is provided in **Appendix D**.

Auditor’s Evaluation of Management’s Response

Management’s response is appropriate to address the findings and recommendation. Implementing a process to ensure awards are entered into FPDS timely, would improve the timeliness and quality of FEC’s DATA Act reporting.

⁴ FAR Subpart 4.6 - Contract Reporting, 4.604 Responsibilities.

Finding 4: FEC did not develop a Data Quality Plan (DQP) to Improve Risk Management Over the DATA Act Process.

Condition: The FEC has not developed a DQP to reduce risk of misreported data. The FEC’s FY 2019 first quarter DATA Act submission resulted in several exceptions. As noted in other Notice of Findings and Recommendations, the FEC has exceptions in completeness, accuracy, and timeliness for Files A, B, C and D1.

Starting in FY 2019, OMB Circular A-123, Appendix A, Management of Reporting and Data Integrity Risk (M-18-16), established that agencies must develop a DQP to identify a control structure tailored to address identified risks.

Criteria: OMB18-16, “Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk,” June 6, 2018, requires DATA Act reporting agencies to develop and maintain a DQP effective fiscal year 2019. The OMB M-18-16 states:

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

Quarterly certifications of data submitted by agency Senior Accountable Officials (SAO) should be based on the consideration of the data quality plan and the internal controls documented in their plan as well as other existing controls that may be in place, in the annual assurance statement process. Consideration of this plan must be included in agencies’ existing annual assurance statement over ICOR⁵ beginning in FY 2019 and continuing through the statement covering fiscal year 2021 at a minimum, or until agencies determine that they can provide reasonable assurances over the data quality controls that support achievement of the reporting objective in accordance with the DATA Act.

The Data Quality Plan should cover significant milestones and major decisions pertaining to:

- Organizational structure and key processes providing internal controls for spending reporting.
- Management’s responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123.

Cause: The FEC relied on other internal control policies and procedures to assess and monitor control over the DATA Act reporting requirements that did not ensure quality reporting.

Effect: The lack of a DQP increased the risk of misreported data, and decreases the reliability and usefulness of the data reported in the USAspending.gov.

Recommendation 5: We recommend the FEC’s management develop and implement a DQP to improve risk management over DATA reporting and to comply with OMB M-18-16.

⁵ Internal control over reporting (ICOR)

Management's Response:

We agree with this finding and recommendation and intend to have a Data Quality Plan in place by the third quarter of FY 20. In response to the OMB guidance from June 6th, 2018 and previous OIG DATA Act recommendations, management instituted a number of data checks and reviews. It did not, however, formalize these processes by October 2018 for use in the DATA Act sample. We intend to formalize these processes, and incorporate revised procedures as recommended by OIG where appropriate.

Management's complete response is provided in **Appendix D**.

Auditor's Response to Agency Comments

Management's response is appropriate to address the findings and recommendation. Developing a DQP for DATA Act reporting will help to reduce the risk of misreported data and increase the reliability and usefulness of the data reported in the USAspending.gov.

Appendix A – Objectives, Scope, Methodology and Criteria

Objectives

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

Scope

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

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

- File A: Appropriations Account,
- File B: Object Class and Program Activity,
- File C: Award Financial, and
- File D1: Award (Procurement).

The FEC does not issue grants, therefore Files D2 and F do not apply. In addition, as data elements reported in File E are derived from a third party, we did not test File E. We determined that File C was not suitable for detailed testing, as such we used File D1 for testing of award-level data elements. As there were only 26 records included in File D1, we tested 100% of the population.

Testing Methodology

To accomplish our objectives, we:

- obtained an understanding of any regulatory criteria related to the FEC's responsibilities to report financial and award data under the DATA Act. (See below for a list criteria);
- assessed the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act Broker, in order to assess audit risk and design audit procedures;
- assessed internal controls over financial reporting for the DATA Act
- reviewed and reconciled the FY 2019, first quarter summary-level data submitted by the FEC for publication on USASpending.gov;
- assessed the FEC's implementation and use of the 57 data elements/standards (as applicable) established by OMB and Treasury; and

- assessed the completeness, timeliness, accuracy, and quality of the financial and award data sampled; this included testing the FEC’s submission of Files A through D1.

To test the FEC’s DATA Act submission of Files A through D1, we:

- reviewed the FEC’s certification and submission process;
- determined the timeliness of the FEC’s submission;
- determined completeness of summary level data for Files A and B;
- determined whether File C is complete and suitable for sampling;
- tested the total population for File D1;
- tested detailed record-level linkages for Files C and D1;
- tested detailed record-level data elements for Files C and D1 for completeness, accuracy, timeliness, and quality; and
- analyzed results.

Criteria

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

Table 8- List of Criteria

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

Criteria Title	
19	DATA Act Broker Submission Practices and Procedures
20	U. S. Digital Services Playbook
21	GAO Financial Audit Manual, Volume 1,2,3
22	Government Auditing Standards
23	Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006

Appendix B – Summary of Results for Record-Level Data Elements

Summary of the results of the detailed record-level test of data elements for Files C and D1. The results are listed in descending order by data element number.

Table 9 - FEC's results for Data Elements

FEC's results listed in descending order by accuracy rate percentage.				
Accuracy (A), Completeness (C), Timeliness (T)				
		Error Rate ⁶		
DE	Data Element Name	A	C	T
50	Object Class	38%	38%	38%
51	Appropriations Account	38%	38%	38%
53	Obligation	38%	38%	38%
56	Program Activity	38%	38%	38%
15	Potential Total Value of Award	19%	0%	8%
28	Period of Performance Potential End Date	15%	0%	8%
3	Ultimate Parent Unique Identifier	12%	0%	8%
27	Period of Performance Current End Date	12%	0%	8%
14	Current Total Value of Award	8%	0%	8%
16	Contract Award Type	4%	0%	8%
26	Period of Performance Start Date	4%	0%	8%
30	Primary Place of Performance Address	4%	0%	8%
1	Awardee or Recipient Legal Entity Name	0%	0%	8%
2	Awardee or Recipient Unique Identifier	0%	0%	8%
4	Ultimate Parent Legal Entity Name	0%	0%	8%
5	Legal Entity Address	0%	0%	8%
6	Legal Entity Congressional District	0%	0%	8%
7	Legal Entity Country Code	0%	0%	8%
8	Legal Entity Country Name	0%	0%	8%
11	Federal Action Obligation	0%	0%	8%
17	NAICS	0%	0%	8%
18	NAICS Description	0%	0%	8%
22	Award Description	0%	0%	8%
23	Award Modification Amendment Number	0%	0%	8%
24	Parent Award Id	0%	0%	8%
25	Action Date	0%	0%	8%
31	Primary Place of Performance Congressional District	0%	0%	8%
32	Primary Place of Performance Country Code	0%	0%	8%
33	Primary Place of Performance Country Name	0%	0%	8%
34	PIID	0%	0%	8%

⁶ All estimates from the sample have a margin of error no greater than plus or minus 5 percentage points unless otherwise noted

FEC's results listed in descending order by accuracy rate percentage.				
Accuracy (A), Completeness (C), Timeliness (T)				
		Error Rate ⁶		
DE	Data Element Name	A	C	T
36	Action Type	0%	0%	8%
38	Funding Agency Name	0%	0%	8%
39	Funding Agency Code	0%	0%	8%
40	Funding Sub Tier Agency Name	0%	0%	8%
41	Funding Sub Tier Agency Code	0%	0%	8%
42	Funding Office Name	0%	0%	8%
43	Funding Office Code	0%	0%	8%
44	Awarding Agency Name	0%	0%	8%
45	Awarding Agency Code	0%	0%	8%
46	Awarding Sub Tier Agency Name	0%	0%	8%
47	Awarding Sub Tier Agency Code	0%	0%	8%
48	Awarding Office Name	0%	0%	8%
49	Awarding Office Code	0%	0%	8%
29	Ordering Period End Date	0%	0%	0%
54	Unobligated Balance	0%	0%	0%
57	Outlay	0%	0%	0%

Appendix C – CIGIE’s DATA Act Anomaly Letter



December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act “readiness reviews” at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
The Honorable Gene Dodaro, Comptroller General, GAO

Appendix D – Management Response



MEMORANDUM

TO: Christopher Skinner, Inspector General

FROM: John Quinlan, CFO *JQ*
 Gilbert Ford, Budget Director and Senior Accountable Official for the Digital
 Accountability and Transparency Act of 2014 (DATA Act)

DATE: October 29th, 2019

SUBJECT: Management Response to DATA Act Notice of Findings and Recommendations

Thank you for the Office of the Inspector General's (OIG) review of FY 2019 first quarter information (October –December 2019) produced in accordance with the DATA Act. We are happy that the recent review showed marked improvement from previous OIG reviews. For example, the review of the D1 file – containing procurement information - showed significant improvement with less than 10 percent of records maintaining a discrepancy with other data sources. The files provided by the Federal Election Commission's (FEC) accounting service provider also seem to show improvements.

Below is management's response to the findings and recommendations that OIG identified in its report. Additionally, our understanding is these findings and recommendations supersede those identified in previous reports. We look forward to continuing to work with OIG to resolve the most recent findings and recommendations and improve the reporting of information required under the DATA Act.

Findings and Recommendations

Finding (NFR 2019-1): FEC' FY 2019 Quarter 1 Files C and D1 submission were not complete, accurate, or timely and did not include all transactions and linkages

Recommendation 1: We recommend the FEC OCFO document and implement a reconciliation process between File C and File D1 to ensure that discrepancies are identified and work with the FSSP to resolve File C errors prior to the SAO asserting to the completeness, timeliness and accuracy of DATA Act submission.

Recommendation 2: We recommend the FEC's management ensure that any records missing from File D1 identified through the reconciliation process are corrected timely.

Management Response: Management largely agrees with this finding and associated recommendations. The reduction in a number of issues from previous DATA Act reviews provides evidence of improvements due to the procedures instituted after those independent reviews. Additionally, FEC realizes DATA Act compliance challenges are visible throughout the government and with all shared service providers (SSP). In July 2019, GAO published a report number GAO-19-537 titled Customer Agencies' Experiences Working with Shared Service Providers for Data Submissions. GAO found that the 27 agencies that responded to its survey use SSP's for various DATA Act services. Sixteen of the 27 SSP customer agencies reported that they experienced challenges.

The continuing existence of discrepancies in FEC's DATA Act files, however, suggests that additional efforts are needed. The OCFO plans to institute a revised reconciliation procedure to identify discrepancies for quarter three of FY20 and will review tracking systems that assist in communication with the SSP to promote timely and accurate adjustments by the quarterly certification due dates. Additionally, we plan to review the procedures for processing procurement data to help reduce the number of discrepancies that arise during the reconciliation process. While we believe that these efforts can reduce discrepancies, ensuring that all discrepancies are resolved is likely an unrealistic standard, given the limited timelines and multiple data sets afforded by the DATA Act. Given this, in drafting a Data Quality Plan (NFR 2019-04), we plan to explore materiality thresholds and high-risk areas for discrepancies. Our hope is that this approach will provide a framework for future independent reviews and lead to improvement in the underlying data submissions.

NFR 2019-2

Finding (NFR 2019 -2): FY 2019 Quarter 1 File D1 detail award-level spending data included inaccurate data elements.

Recommendation 3: We recommend that FEC's management reinforce the control procedures and processes in place to ensure award level data is accurately entered into FPDS and any DATA Act reporting errors are identified and corrected timely.

Management Response: Management largely agrees with this finding and associated recommendation. The reduction of discrepancies to less than 10 percent of files represents improvement from previous reviews, but also indicates further improvements are needed. Additionally, over one-third of the remaining discrepancies result from known government-wide systems limitations. Given the number of records, DATA Act timelines and known systems based limitations, we believe the best approach is to identify data fields with the most risk for discrepancies and institute a risk-based comparison with the source contract files. We intend to institute this by the third quarter of FY20. This process should reduce discrepancies, but likely will not ensure that all award level discrepancies are resolved. Similar to our response for NFR

2019-1, we intend to explore materiality thresholds and high-risk areas for discrepancies in the development of the Data Quality Plan.

Finding (NFR 2019-3): FEC did not process two contract awards timely in FPDS as required by FAR.

Recommendation 4: We recommend that FEC's management reinforce written policies and procedures and internal controls over reporting of procurement award data to ensure awards are entered into FPDS timely.

Management Response: Management agrees with this finding and recommendation. We are investigating an email notification reminder system for contract awards. The reminder system will help promote necessary data entry within three days to the FPDS system. In addition, we plan to explore a system for tracking instances where meeting the three day timeframe is not possible due to system or other issues.

Finding (NFR 2019-04): FEC did not develop a Data Quality Plan (DQP) to Improve Risk Management Over the DATA Act Process.

Recommendation: We recommend the FEC's management develop and implement a DQP to improve risk management over DATA reporting and to comply with OMB M-18-16.

Management Response: We agree with this finding and recommendation and intend to have a Data Quality Plan in place by the third quarter of FY 20. In response to the OMB guidance from June 6th, 2018 and previous OIG DATA Act recommendations, management instituted a number of data checks and reviews. It did not, however, formalize these processes by October 2018 for use in the DATA Act sample. We intend to formalize these processes, and incorporate revised procedures as recommended by OIG where appropriate.

Appendix E – Glossary of Abbreviations and Acronyms

ATD Act	Accountability of Tax Dollars Act of 2002
CIGIE	The Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	The Digital Accountability and Transparency Act of 2014
DE	Data Element
DQP	Data Quality Plan
FAEC	Federal Audit Executive Council
FAR	Federal Acquisition Regulation
FEC	Federal Election Commission
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System Next Generation
FSR	Financial System and Reporting Division
FSSP	Federal Shared Service Provider
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
IDD	Interface Definition Document
IG	Inspector General
IPA	Independent Public Accounting
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier for procurements
PMO	Project Management Office
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
Treasury	The United States Department of the Treasury
USDA	United States Department of Agriculture