

Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2019

FINAL REPORT NO. OIG-20-004-A

OCTOBER 29, 2019



U.S. Department of Commerce
Office of Inspector General
Office of Audit and Evaluation



October 29, 2019

MEMORANDUM FOR: Thomas F. Gilman
Chief Financial Officer and Assistant Secretary for Administration

FROM: Peggy E. Gustafson
Inspector General

SUBJECT: *Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2019*
Final Report No. OIG-20-004-A

This memorandum accompanies the U.S. Department of Commerce Office of Inspector General report on the Department's Digital Accountability and Transparency Act of 2014 (DATA Act) submission for the first quarter of fiscal year (FY) 2019. The DATA Act, in part, requires federal agencies to report financial and award data in accordance with government-wide financial data standards. It also requires the inspector general of each federal agency to review a sample of the submitted data and then report on the completeness, timeliness, quality, and accuracy of the data, as well as the agency's implementation and use of the required standards.

We contracted with KPMG LLP, an independent public accounting firm, to conduct an audit of the Department's first quarter, FY 2019 DATA Act submission. KPMG conducted its audit in accordance with *Government Auditing Standards* and the Council of the Inspectors General for Integrity and Efficiency Federal Audit Executive Council's *Inspectors General Guide to Compliance Under the DATA Act* (Guide). As discussed in the attached report, KPMG identified that:

- The Department submitted data of a "Higher" quality (i.e., the error rate corresponded to the quality level "Higher" in the Guide).
- The data contained no errors related to timeliness, but did have error rates of 3.46 percent and 10.29 percent related to completeness and accuracy, respectively, which were attributable to both the Department and external parties. The Department's error rates, which excludes those attributable to third parties, were 0.81 percent for completeness and 4.74 percent for accuracy.
- The Department implemented and used the government-wide financial data standards established by the Office of Management and Budget and the U.S. Department of the Treasury under the DATA Act.

My office oversaw KPMG's audit. However, KPMG is solely responsible for the attached report and the conclusions expressed in it. We do not express any opinion on the Department's first quarter, FY 2019 DATA Act submission.

This report will appear on the OIG website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 & 8M). In accordance with Department Administrative Order 213-5, please submit to us—within 60 calendar days of this memorandum—an action plan that responds to the recommendations in this report.

We are also issuing a copy of this report to the U.S. Senate Committee on Homeland Security and Governmental Affairs; U.S. House Committee on Oversight and Reform; U.S. Senate Committee on the Budget; U.S. House Committee on the Budget; the Government Accountability Office; and the U.S. Department of Treasury, Inspector General.

We would like to thank the Department's staff and management for its cooperation and courtesies extended to KPMG and my office during this audit. Please contact me at (202) 482-4661, or Carol Rice at (202) 482-6020, if you would like to discuss the report.

Attachment

**cc: Stephen Kunze, Deputy Chief Financial Officer and Director for Financial Management
MaryAnn Mausser, Audit Liaison, Office of the Secretary**



**Performance Audit of the U.S. Department of Commerce's
Digital Accountability and Transparency Act of 2014 (DATA Act)
Fiscal Year 2019 Quarter 1 Financial and Award Data**

Prepared for: Inspector General, U.S. Department of Commerce

As of Date: September 25, 2019

KPMG LLP
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Secretary and Inspector General
U.S. Department of Commerce

This report presents the results of our work conducted to address the performance audit objectives related to the U.S. Department of Commerce's (Department) implementation of the *Digital Accountability and Transparency Act of 2014* (DATA Act). Our work was performed during the period of April 3, 2019 and August 30, 2019, and our results are as of September 25, 2019.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to GAGAS, we conducted this performance audit in accordance with the *Standards for Consulting Services* established by the American Institute of Certified Public Accountants (AICPA). This performance audit did not constitute an audit of financial statements or an attestation level report as defined under GAGAS and the AICPA standards for attestation engagements.

The audit objectives¹ of our work were to assess the:

- 1) Completeness, accuracy, timeliness, and quality of the Department's fiscal year (FY) 2019, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov; and
- 2) Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury).

For Objective 1, we determined the Department submitted data of a higher quality. However, the Department did not submit certain data completely or accurately. Overall, for the 350 sampled transactions, we tested 15,087 individual data elements and identified 2,163 errors, which resulted in the following error rates: completeness 3.46%, accuracy 10.29%, and timeliness 0%. Of the 2,163 errors identified, 765 were attributable to the Department, which resulted in the following error rates: completeness 0.81%, accuracy 4.74%, and timeliness 0%. The remaining 1,398 exceptions were attributable to third parties external to the Department.

For Objective 2, we determined that the Department implemented and used the Government-wide financial data standards established by OMB and Treasury under the DATA Act.

¹ The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) *Inspectors General Guide to Compliance under the DATA Act*, dated February 14, 2019, provides guidance regarding the fieldwork and reporting related to these performance audit objectives.



KPMG cautions that projecting the results of our evaluation to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

This report is intended solely for the use of the U.S. Department of Commerce and its Inspector General, the Comptroller General of the United States, OMB, and relevant congressional committees; and is not intended to be and should not be relied upon by anyone other than these specified parties.

KPMG LLP

September 25, 2019

I. BACKGROUND

The DATA Act was enacted to expand the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006* (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 Treasury published 57 data definition standards for DATA Act reporting. The standards are intended to help taxpayers and policy makers understand how agencies spend taxpayer dollars, and improve agencies' spending oversight and data-centric decision-making.

In addition to the agency reporting requirements, the DATA Act requires the Inspector General of each agency to audit a statistical sample of the spending data submitted by its agency and to submit to Congress a publicly-available report assessing the completeness, timeliness, accuracy, and quality of the data sampled, as well as, the implementation and use of the Government-wide financial data standards by the agency.

A Treasury-assigned broker system collects agency data, validates the data, and allows the agency to submit the data for publication on USAspending.gov. The broker collects agency data through uploads and extractions, as specified by DATA Act Information Model Schema (DAIMS) requirements.

Agencies submit the following files, extracted from their financial systems, directly to Treasury's DATA Act broker in accordance with the DAIMS Reporting Submission Specification (RSS):

- File A, *Appropriations Account*, contains appropriation summary level data aligned to the agency's quarterly SF 133 *Report on Budget Execution and Budgetary Resources*.
- File B, *Object Class and Program Activity*, includes obligation and outlay information at the program activity and object class level.
- File C, *Award Financial*, reports the obligations at the award and object class level.

Files A, B and C are linked through the Appropriations Account, Obligation Amount, Unobligated Balance, and Outlay data elements. Further, Files B and C are linked through the Object Class and Program Activity data elements.

The broker extracts data for the following files from external feeder systems as reflected in the DAIMS Interface Definition Document (IDD):

- File D1, *Award (Procurement)*, reports award and awardee attributes for procurement data extracted from the Federal Procurement Data System-Next Generation (FPDS-NG). This information is linked to the financial information in File C using a unique Procurement Instrument Identifier (PIID).
- File D2, *Award (Financial Assistance)*, reports award and awardee attributes for financial assistance data extracted from the Award Submission Portal. This information is linked to the financial information in File C using a unique Federal Award Identification Number (FAIN) or Unique Record Identifier (URI).
- File E, *Additional Awardee Attributes*, includes the additional prime awardee attributes extracted from the System for Award Management (SAM).
- File F, *Sub-Award Attributes*, includes sub-award attributes extracted from the FFATA Sub-award Reporting System (FSRS).

The Senior Accountable Official (SAO), or designee, for each agency is required to certify these seven data files for its agency's financial and award data quarterly to be published on USASpending.gov.

The Department is comprised of 13 bureaus and offices (see Appendix C) each with its own management and organizational structure. The Department's DATA Act submission process involves gathering data from disparate systems housing financial and award data.

II. OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

We conducted a performance audit to assess the:

- 1) Completeness, accuracy, timeliness, and quality of the Department's FY 2019, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov; and
- 2) Department's implementation and use of the Government-wide financial data standards established by the OMB and Treasury.

Scope

The performance audit covered FY 2019 first quarter financial and award data the Department submitted for publication on USASpending.gov, and the procedures, certifications, documentation, and controls it used for this submission. Our work was performed during the period of April 3, 2019 and August 30, 2019, and our results are as of September 25, 2019.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in 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. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not evaluate File E, *Additional Awardee Attributes*, and File F, *Sub-Award Attributes*. File E contains information extracted from SAM from the DATA Act broker system. File F contains information extracted from FSRS from the DATA Act broker system. The prime awardee is responsible for reporting sub-award and executive compensation information in SAM and FSRS. Further, the quality of this data is the legal responsibility of the recipient, and agencies are not responsible for certifying the quality of data reported by awardees. Consequently, pursuant to the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) *Inspectors General Guide to Compliance under the DATA Act* ("the Guide"), it is optional for Inspectors General to assess Files E and F. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and FSRS via the DATA Act broker system.

Methodology

To achieve the performance audit objectives, we:

- Obtained an understanding of regulatory criteria related to the Department's responsibilities to report financial and award data under the DATA Act;
- Reviewed the Department's data quality plan (DQP);
- 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;
- Reviewed and reconciled the FY 2019 first quarter summary-level data submitted by the Department for publication on USASpending.gov;
- Reviewed a statistical sample from File C of the FY 2019 first quarter financial and award data submitted by the Department for publication on USASpending.gov;
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- Assessed the Department's implementation and use of the 57 data elements/standards established by OMB and Treasury.

We conducted this audit and selected our statistical sample of financial and award data in accordance with the Guide. The Guide requires the expected error rate to be determined based on the results of the November 2017 and subsequent testing of DATA Act information (as applicable). In our FY 2017 DATA Act report, we reported an error rate of 64%; therefore, we utilized an expected error rate of 64% to select our sample. Additionally, the Guide recommends a sample size based on a desired sampling precision of 5% at a 95% confidence level, with a maximum sample size of 385 records. Given these assumptions, the required sample size to achieve a sampling precision of 5% at a 95% confidence level would have been greater than 385. Furthermore, the Guide allows agencies with smaller populations to reduce the maximum sample size, when the sample size of 385 represents 5% or more of the population. The sample size of 385 represented 13.3% of Department's File C population of 2,883 records, which is greater than 5% of the population. Therefore, we selected a sample of 340 items using the formula provided in the Guide. We added 10 additional sample items in the event we needed replacement sample items; footnote 29 of the Guide discusses the need for replacement sample items in the event an agency has included out-of-scope records in the File C data submission. We tested these 10 sample items to bring our total sample size to 350 and included them in our testing results below. Our sample of 350 items consisted of 294 PIIIDs and 56 FAINs.

III. RESULTS AND CONCLUSIONS

For Objective 1, we determined the Department submitted data of a higher quality. However, the Department did not submit certain data completely or accurately. Overall, for the 350 sampled transactions, we tested 15,087 individual data elements and identified 2,163 errors, which resulted in the following error rates: completeness 3.46%, accuracy 10.29%, and timeliness 0%. Of the 2,163 errors identified, 765 were attributable to the Department, which resulted in the following error rates: completeness 0.81%, accuracy 4.74%, and timeliness 0%. As a result, we identified certain internal control deficiencies over the Department's DATA Act submission and proposed four related recommendations. Section IV contains details of our findings, identified internal control deficiencies, and related recommendations. The remaining 1,398 exceptions were attributable to third parties external to the Department. The "Analysis of Errors in Data Elements Not Attributable to the Department" section of the report details the third parties to which these errors were attributable.

For Objective 2, we determined that the Department implemented and used the Government-wide financial data standards established by OMB and Treasury under the DATA Act.

IV. FINDINGS

Objective 1 - Assessment of DATA Act Submission

Completeness and Timeliness of the Agency Submission

- **Submission was Timely, but not Complete:**

We evaluated the Department's FY 2019 first quarter DATA Act submission to Treasury's DATA Act Broker and determined that the submission was timely based on the revised DATA Act reporting submission date of March 20, 2019. However, we determined that the submission was not complete. To determine the completeness of the submission, we evaluated Files A, B, and C to determine if all transactions and events that should have been recorded were recorded in the proper period. We identified certain completeness errors as described in the "Summary-Level Data and Linkages for Files A, B, and C (including D1 and D2)"; "Record-Level Data and Linkages for Files C and D"; and "Supplemental Analysis of the Results by Data Elements" sections of this report.

Summary-Level Data and Linkages for Files A, B, and C (including D1 and D2)

- We assessed the completeness of Files A and B, and through our test work, we noted that Files A and B were complete except as noted below:

- While comparing File A to the Treasury Account Symbols (TAS) from which funds are obligated (SF-133), we noted one TAS (013-2012-2027-4421) with award activity in during FY 2019 first quarter was excluded from the Department's submission.

Cause: The Department excluded this TAS from its submission because of Governmentwide Treasury Account Symbol (GTAS) certification issues. Inclusion of this TAS in the Department's submission would have resulted in a fatal error within the Treasury DATA Act broker that would have prevented the Department from completing its DATA Act submission to USASpending.gov. The Department consulted with Treasury regarding this matter, and Treasury stated that the Department should exclude the TAS from its submission because it was not certified in GTAS.

Attributable to Department or Third Party: Because the Department reported in accordance with Treasury's guidance and Treasury's requirement to reconcile File A to GTAS was the cause of this issue, we determined that this error is attributable to Treasury, not the Department. As a result, we did not include a recommendation for this finding in this report.

- As a result of comparing File B to the OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, 280 records in File B had an Object Class Code of 0 that did not agree to an Object Class Code in OMB Circular No. A-11. We noted these differences were identified as a non-fatal broker warning in the Treasury Validation warning report (Warning Report). The Warning Report is generated by the Treasury DATA Act broker and displays all of the records from the Department's submission that triggered a warning or fatal error.

Cause: Beginning balance records brought forward from the prior fiscal year do not include an object class code as a result of known system limitations of the Department's financial system. Additionally, on-top adjustment records recorded outside of the

Department's financial system during the GTAS reporting process do not include object class codes.

Attributable to Department or Third Party: As the records with default object class codes resulted from a limitation of the Department's financial system and on-top adjustment that the Department recorded during its GTAS reporting process, we determined that this issue is attributable to the Department. However, we did not issue a recommendation for this finding because its error rate was in the 'Higher' quality range as discussed in the "Quality" section below.

- As a result of comparing File B to the Program and Financing Schedule of the President's Budget, we noted 183 records recorded to program activity codes in File B that were not included in the President's Budget. We noted that the Warning Report identified these differences as a non-fatal broker warning.

Cause: The Department does not record valid OMB program activity details into its financial system and is aware that this issue results in reporting default program activities in File B. Consequently, the Department conducts a Program Activity mapping exercise to capture as many Program Activities as possible; however, the Department is not able to map all program codes to a valid OMB program activity code and name.

Attributable to the Department or Third Party: As the default program activity codes resulted from the Department not being able to map all program codes within its financial system to a valid OMB program activity, we determined that this finding is attributable to the Department. However, we did not issue a recommendation for this finding because its error rate was in the 'Higher' quality range as discussed in the "Quality" section below.

- We reconciled the linkages between Files A, B, and C to determine if the linkages were valid and to identify any variances between the files. Our testwork did not identify any variances between Files A, B, and C at the summary level.
- We reconciled the linkages between File C and D1 and D2 by the Award Identification (Award ID) number. As a result, we identified instances, supported by the warnings reports, in which Award IDs were included in File C that were not included in Files D1 or D2. We also identified instances, supported by the warnings reports, in which Award IDs were included in Files D1 and D2 that were not included in File C.

We identified the following:

- 349 PIIDs included in File C but not in File D1
- 347 PIIDs included in File D1 but not in File C
- 24 FAINs included in File C but not in File D2
- 47 FAINs included in File D2 but not in File C

Cause: We did not determine the specific cause of each of the variances between Files C, D1, and D2 noted above. However, we determined that numerous reasons exist for the Department's exclusion of File C records from Files D1 and D2, and vice versa, such as:

- Awards below the micro-purchase threshold of \$10,000 that were reported in File C were not required to be reported in FPDS-NG, and therefore, would not be included in File D1, which is derived from FPDS-NG.

- The Department noted that its grants system did not always report de-obligations to the Financial Assistance Broker System (FABS), which results in the exclusion of File C records from File D2.
- As defined by Federal Acquisition Regulation (FAR) 4.603, agencies awarding contract actions with a mix of appropriated and non-appropriated funding only report the fully appropriated portion of the contract action in FPDS-NG. As a result, the Department did not report certain non-appropriated funding in FPDS-NG.

Attributable to the Department or Third Party: Some of the differences between Files C, D1, and D2 are attributable to the Department (e.g., the Department not reporting all de-obligations from its grants system to FABS). Other differences are attributable to external parties, such as via the FAR which allows agencies to exclude certain awards from FPDS-NG. However, we did not include recommendations for these findings in this report because their error rates were in the 'Higher' quality range as discussed in the "Quality" section below.

Record-Level Data and Linkages for Files C and D

– Record-Level Data Sample Testing

We selected a sample of 350 records and tested 15,087 data elements to assess their completeness, accuracy, and timeliness. Of the 15,087 data elements, 589 had completeness errors, 1,574 had accuracy errors, and none had timeliness errors.

- **Completeness of the Data Elements**

The projected error rate for the completeness of the data elements is **3.46%**. Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 1.67% and 5.26%, of which 3.46% is the midpoint. A data element was considered complete if the required data element that should have been reported was reported.

- **Accuracy**

The projected error rate for the accuracy of the data elements is **10.29%**. Based on a 95% confidence level, the projected error rate for the accuracy of the data elements is between 7.31% and 13.28%, of which 10.29% is the midpoint. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS RSS, IDD, and the DATA Act Online Data Dictionary, and agreed with the authoritative source records. In accordance with the Guide, we considered completeness exceptions to be accuracy exceptions as well.

- **Timeliness of the Data Elements**

The projected error rate for the timeliness of the data elements is **0%**. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements (i.e., FFATA, FAR, FPDS-NG, FABS and DAIMS).

Cause: Several situations caused certain data elements within the Department's submission to not be complete and/or accurate, such as:

- The Department noted that its grants system did not always report de-obligations to FABS, which results in the exclusion of File C records from File D2.
- The Department did not properly configure the modification number within its Grants Online system to properly interface with the FABS, resulting in File D2 completeness errors related to data element number 23.
- The National Technical Information Service’s (NTIS) Budget Accounting Purchase System (BAPS) was not configured to record the Parent Award ID Number associated with its contracts.
- The Department’s Office of Acquisition Management’s (OAM) quarterly Independent Validation and Verification (IV&V) process was not designed such that all 57 required data elements were reviewed, and its planned improvements to its FPDS-NG data error checking system for all 57 data elements were not implemented in Q1 FY 2019.
- The Department’s controls over data elements manually recorded in FPDS-NG were not designed, implemented, or operating effectively, which resulted in some data elements being recorded incompletely in FPDS-NG and File D1.
- Awards below the micro-purchase threshold of \$10,000 that were reported in File C were not required to be reported in FPDS-NG, and therefore, would not be included in File D1, which is derived from FPDS-NG.
- As defined by FAR 4.603, agencies awarding contract actions with a mix of appropriated and non-appropriated funding only report the fully appropriated portion of the contract action in FPDS-NG. As a result, the Department did not report certain non-appropriated funding in FPDS-NG.

Attributable to the Department or Third Party: The first five causes are attributable to the Department. We did not issue a recommendation related to the Department’s grants system not reporting all de-obligations to FABS because the error rate was in the ‘Higher’ quality data range as discussed in the “Quality” section. For the remaining four causes attributable to the Department, see Recommendations 1 through 4 in the “Recommendations” section.

The remaining causes are not attributable to the Department; therefore, we did not include a recommendation for those causes in this report.

– **Quality**

In accordance with the Guide, the quality of the data elements was determined using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy, and timeliness. The highest of the three error rates was used as the determining factor of quality. The Guide provides the following table defining the range of errors in determining the quality of the data elements:

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

Based on our test work results and the highest error rate of 10.29%, we determined that the quality of the Department’s data is considered **Higher**.

- **Record-Level Data Linkages Between Files C and D1/D2**

As a result of our test work over record-level data linkages between Files C and D1 and D2, we identified 35 and 4 records for which the selected sample items were inappropriately excluded from Files D1 and D2, respectively. Additionally, we identified 32 and 6 records for which the Parent Award ID and URI in File C did not agree to Files D1 and D2, respectively. We noted that the Warning Report identified these records as non-fatal broker warnings.

Cause: We did not determine the specific cause of each of the variances between Files C, D1, and D2 noted above. However, we determined that numerous reasons exist for the Department’s exclusion of File C records from Files D1 and D2, and vice versa, such as:

- Awards below the micro-purchase threshold of \$10,000 that were reported in File C were not required to be reported in FPDS-NG, and therefore, would not be included in File D1, which is derived from FPDS-NG.
- The Department noted that its grants system did not always report de-obligations to FABS, which results in the exclusion of File C records from File D2.
- As defined by FAR 4.603, agencies awarding contract actions with a mix of appropriated and non-appropriated funding only report the fully appropriated portion of the contract action in FPDS-NG. As a result, the Department did not report certain non-appropriated funding in FPDS-NG.

Attributable to the Department or Third Party: Some of the differences between Files C, D1, and D2 are attributable to the Department (e.g., the Department not reporting all de-obligations from its grants system to FABS). Other differences are attributable to external parties, such as via the FAR which allows agencies to exclude certain awards from FPDS-NG. However, we did not include recommendations for these findings in this report because their error rates were in the ‘Higher’ quality range as discussed in the “Quality” section above.

Supplemental Analysis of the Results by Data Elements

- **Data Element Analysis**

The following provides the testing results by data element in descending order by the accuracy attribute’s error rate percentage. The error rate percentage is calculated by dividing total errors (per data element) by total number of applicable data elements sample items tested for each attribute. The error rates in Section III of this report reflect the weighted average rates across all data elements and therefore are not intended to agree to the table below.

		Accuracy (A), Completeness (C), Timeliness (T)		
		Error Rate		
Data Element No.	Data Element Name	A	C	T
29	Ordering Period End Date	73.33%	66.67%	0.00%
43	Funding Office Code	47.14%	3.71%	0.00%
28	Period of Performance Potential End Date	28.33%	3.41%	0.00%
15	Potential Total Value of Award	27.21%	3.74%	0.00%
26	Period of Performance Start Date	25.71%	4.29%	0.00%

Accuracy (A), Completeness (C), Timeliness (T)				
		Error Rate		
Data Element No.	Data Element Name	A	C	T
27	Period of Performance Current End Date	22.64%	4.58%	0.00%
14	Current Total Value of Award	22.45%	3.74%	0.00%
50	Object Class	19.71%	0.00%	0.00%
5	Legal Entity Address	18.29%	3.71%	0.00%
30	Primary Place of Performance Address	18.00%	5.14%	0.00%
24	Parent Award ID Number (File D)	17.46%	4.76%	0.00%
31	Primary Place of Performance Congressional District	17.14%	5.14%	0.00%
4	Ultimate Parent Legal Entity Name	16.29%	8.29%	0.00%
6	Legal Entity Congressional District	14.04%	4.30%	0.00%
3	Ultimate Parent Unique Identifier	11.14%	7.14%	0.00%
33	Primary Place of Performance Country Name	9.17%	4.30%	0.00%
36	Action Type	9.14%	3.71%	0.00%
32	Primary Place of Performance Country Code	9.14%	4.29%	0.00%
12	Non-Federal Funding Amount	8.93%	7.14%	0.00%
13	Amount of Award	8.93%	7.14%	0.00%
37	Business Types	8.93%	7.14%	0.00%
23	Award Modification / Amendment Number	7.52%	7.21%	0.00%
17	NAICS Code	7.48%	3.06%	0.00%
18	NAICS Description	7.14%	3.06%	0.00%
19	Catalog of Federal Domestic Assistance (CFDA) Number	7.14%	7.14%	0.00%
20	Catalog of Federal Domestic Assistance (CFDA) Title	7.14%	7.14%	0.00%
35	Record Type	7.14%	7.14%	0.00%
34	Award ID Number (PIID/FAIN) [File D]	7.14%	4.42%	0.00%
25	Action Date	6.29%	3.71%	0.00%
2	Awardee/Recipient Unique Identifier	5.71%	3.71%	0.00%
34	Award ID Number (PIID/FAIN) [File C]	5.44%	0.00%	0.00%
1	Awardee/Recipient Legal Entity Name	5.43%	3.71%	0.00%
7	Legal Entity Country Code	5.43%	3.71%	0.00%
8	Legal Entity Country Name	5.43%	3.71%	0.00%
22	Award Description	5.43%	3.71%	0.00%
16	Award Type	5.18%	3.35%	0.00%
40	Funding Sub Tier Agency Name	4.86%	4.29%	0.00%
41	Funding Sub Tier Agency Code	4.86%	4.29%	0.00%
42	Funding Office Name	4.57%	3.71%	0.00%
11	Federal Action Obligation	4.29%	3.71%	0.00%

		Accuracy (A), Completeness (C), Timeliness (T)		
		Error Rate		
Data Element No.	Data Element Name	A	C	T
38	Funding Agency Name	4.29%	4.29%	0.00%
39	Funding Agency Code	4.29%	4.29%	0.00%
51	Appropriations Account	4.00%	0.00%	0.00%
44	Awarding Agency Name	3.71%	3.71%	0.00%
45	Awarding Agency Code	3.71%	3.71%	0.00%
46	Awarding Sub Tier Agency Name	3.71%	3.71%	0.00%
47	Awarding Sub Tier Agency Code	3.71%	3.71%	0.00%
48	Awarding Office Name	3.71%	3.71%	0.00%
49	Awarding Office Code	3.71%	3.71%	0.00%
24	Parent Award ID Number (File C)	3.26%	1.09%	0.00%
53	Obligation	3.14%	0.00%	0.00%

– **Accuracy of Dollar-Value Related Data Elements**

The table below summarizes the accuracy of dollar-value related data elements. The absolute value of the error is calculated as the absolute value of the amount that was reported less the amount that should have been reported. These data elements may be related to either File C, File D1, or File D2 and include: Federal Action Obligation, Current Total Value of Award, Potential Total Value of Award, Transaction Obligation Amount, and Amount of Award. The amounts reflected are not projectable because the statistical sample selection was performed on attributes and not monetary amounts.

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	DE 11 Federal Action Obligation	283	11	0	294	3.74%	\$1,760,490
PIID	DE 14 Current Total Value of Award	228	66	0	294	22.45%	\$1,864,022,898
PIID	DE 15 Potential Total Value of Award	214	80	0	294	27.21%	\$2,569,578,597
PIID	DE 53 Obligation	283	11	0	294	3.74%	\$113,288
FAIN	DE 11 Federal Action Obligation	52	4	0	56	7.14%	\$38,221
FAIN	DE 12 Non-Federal Funding Amount	51	5	0	56	8.93%	\$153,128
FAIN	DE 13 Amount of Award	51	5	0	56	8.93%	\$191,349
FAIN	DE 14 Current Total Value of Award	0	0	56	0	N/A	N/A

Accuracy of Dollar-Value Related Data Elements								
PIID/ FAIN	Data Element		Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
FAIN	DE 53	Obligation	56	0	0	56	0.00%	\$0

- Analysis of Errors in Data Elements Not Attributable to the Department

We identified the errors in the table below as third-party errors, which are not attributable to the Department. These errors were included in the error rate calculations above and considered in the overall quality determination. If the data element was incomplete, then it was also considered inaccurate, resulting in an error across both attributes.

We discussed the causes for these errors in the “Summary-Level Data and Linkages for Files A, B, and C (including D1 and D2)” and “Record-Level Data and Linkages for Files C and D” sections of this report. However, because we did not report these errors to the applicable third-parties, we do not know if they are aware of these issues or if they have corrective action plans in place to address them.

Errors in Data Elements Not Attributable to the Department			
PIID/ FAIN	Data Element ID	Data Element Description	Attributed to
PIID	DE 01	Awardee/Recipient Legal Entity Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 02	Awardee/Recipient Unique Identifier	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 03	Ultimate Parent Unique Identifier	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 04	Ultimate Parent Legal Entity Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 05	Legal Entity Address	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 06	Legal Entity Congressional District	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 07	Legal Entity Country Code	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 08	Legal Entity Country Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 11	Federal Action Obligation	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 14	Current Total Value of Award	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 15	Potential Total Value of Award	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 16	Award Type	Treasury's DATA Act Broker Extracting from FPDS-NG

Errors in Data Elements Not Attributable to the Department			
PIID/ FAIN	Data Element ID	Data Element Description	Attributed to
PIID	DE 17	NAICS Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 18	NAICS Description	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 22	Award Description	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 23	Award Modification / Amendment Number	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 24	Parent Award ID Number	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 25	Action Date	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 26	Period of Performance Start Date	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 27	Period of Performance Current End Date	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 28	Period of Performance Potential End Date	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 29	Ordering Period End Date	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 30	Primary Place of Performance Address	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 31	Primary Place of Performance Congressional District	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 32	Primary Place of Performance Country Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 33	Primary Place of Performance Country Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 34	Award ID Number	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 36	Action Type	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 38	Funding Agency Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 39	Funding Agency Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 40	Funding Sub Tier Agency Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 41	Funding Sub Tier Agency Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 42	Funding Office Name	Treasury's DATA Act Broker Extracting from FPDS-NG

Errors in Data Elements Not Attributable to the Department			
PIID/ FAIN	Data Element ID	Data Element Description	Attributed to
PIID	DE 43	Funding Office Code	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 44	Awarding Agency Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 45	Awarding Agency Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 46	Awarding Sub Tier Agency Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 47	Awarding Sub Tier Agency Code	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 48	Awarding Office Name	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 49	Awarding Office Code	Treasury's DATA Act Broker Extracting from FPDS-NG
FAIN	DE 01	Awardee/Recipient Legal Entity Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 02	Awardee/Recipient Unique Identifier	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 03	Ultimate Parent Unique Identifier	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 04	Ultimate Parent Legal Entity Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 05	Legal Entity Address	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 06	Legal Entity Congressional District	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 07	Legal Entity Country Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 08	Legal Entity Country Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 11	Federal Action Obligation	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 12	Non-Federal Funding Amount	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 13	Amount of Award	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 16	Award Type	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 19	CFDA Number	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 20	CFDA Title	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 22	Award Description	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 23	Award Modification / Amendment Number	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 25	Action Date	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 26	Period of Performance Start Date	Treasury's DATA Act Broker Extracting from FABS

Errors in Data Elements Not Attributable to the Department			
PIID/ FAIN	Data Element ID	Data Element Description	Attributed to
FAIN	DE 27	Period of Performance Current End Date	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 30	Primary Place of Performance Address	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 31	Primary Place of Performance Congressional District	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 32	Primary Place of Performance Country Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 33	Primary Place of Performance Country Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 34	Award ID Number	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 35	Record Type	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 36	Action Type	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 37	Business Types	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 38	Funding Agency Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 39	Funding Agency Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 40	Funding Sub Tier Agency Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 41	Funding Sub Tier Agency Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 42	Funding Office Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 43	Funding Office Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 44	Awarding Agency Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 45	Awarding Agency Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 46	Awarding Sub Tier Agency Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 47	Awarding Sub Tier Agency Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 48	Awarding Office Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 49	Awarding Office Code	Treasury's DATA Act Broker Extracting from FABS

Objective 2 - Assessment of Implementation and Use of the Data Standards

We have evaluated the Department’s implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. We determined that the Department implemented and used those data standards as defined by OMB and Treasury.

A. DEFICIENCIES IN INTERNAL CONTROL

In planning and performing our audit of the Department's FY 2019 first quarter financial and award data submitted for publication on USASpending.gov, 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 the Department's internal controls relevant to our audit objectives would not necessarily disclose all deficiencies that might be significant within the context of the audit objectives. Because of the inherent limitations on internal controls, noncompliance with the government-wide financial data standards may nevertheless occur and not be detected. To assess the effectiveness of the Department's internal controls over source systems related to the extraction of data related to Files A, B and C, we conducted interviews; reviewed supporting documentation related to the Department's OMB Circular No. A-123, *Management's Responsibility for Internal Control*, testing; and reviewed assurances related to the Department's financial management systems. To assess the effectiveness of the Department's internal controls over its DATA Act submission, we evaluated controls related to the Department's data submission process, including the Department's process for validating the data and resolving fatal errors. We also reviewed the SAO's assurance over the data submitted and supporting documentation, such as bureau CFO assurances of the completeness, accuracy, and timeliness of reported data.

As a result of our assessment over internal controls relevant to the audit objectives and our statistical sampling test work, we identified the following deficiencies in internal control:

1. The Department did not properly configure the modification number within its Grants Online system to properly interface with the FABS, resulting in File D2 completeness errors related to data element number 23.
2. OAM's quarterly IV&V process was not designed such that all 57 required data elements were reviewed, resulting in the errors noted with our PIID sample items.
3. NTIS's BAPS was not configured to record the Parent Award ID Number associated with its contracts, resulting in data element number 24 errors.
4. The Department's controls over data elements that were manually recorded in FPDS-NG were not designed, implemented, or operating effectively, which resulted in some data elements being recorded inaccurately and incompletely in FPDS-NG and File D1.

B. RECOMMENDATIONS

We recommend that Department management:

1. Configure Grants Online to allow the modification number to properly interface with FABS.
2. Evaluate the effectiveness of the automated logic test reports implemented in June 2019 to the FPDS-NG data error checking system to determine if they are improving the quality of the DATA Act data elements, or if additional actions are needed.
3. Configure BAPS to record the Parent Award ID Number associated with contracts.
4. Evaluate the changes implemented in June 2019 to the contract writing system that maximize the number of data elements that are shared between the contract writing system and FPDS-

NG, to determine if they are improving the quality of the DATA Act data elements or if additional actions are needed.

The Department's response to our recommendations is included in Appendix A.

Appendix A
Management Response to Report



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

September 25, 2019

KPMG LLP
1801 K Street, N.W.
Washington, DC 20006

Ladies and Gentlemen:

We appreciate the opportunity to respond to the audit report prepared by KPMG, LLP, and would like to thank the Office of Inspector General and KPMG for their cooperation and courtesies extended during the engagement. The Department is pleased with the result of the audit and that KPMG determined the data submitted to USASpending.gov was of higher quality. The Department prioritized correcting the material weakness and significant deficiency identified in the fiscal year 2017 audit and the results show the Department's commitment to reporting high quality data to the public.

The Department concurs with the recommendations presented in the report. We recognize that further improvements are necessary, and we will continue to strengthen our controls in FY 2020 through the implementation of detailed corrective action plans.

Thank you for the opportunity to provide comments. If you have any questions or comments, please feel free to call Julie Tao at 202-482-1207.

Sincerely,

A handwritten signature in black ink, appearing to read "S. M. Kunze".

Stephen M. Kunze
Deputy Chief Financial Officer and
Director for Financial Management

Appendix B
List of Acronyms and Short References

Acronym	Definition
AICPA	American Institute of Certified Public Accountants
Award ID	Award Identification
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Financial Assistance Identifier Number
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
GTAS	Government-wide Treasury Account Symbol
IDD	Interface Definition Document
IG	Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier Number
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
TAS	Treasury Account Symbol
URI	Unique Record Identifiers

Appendix C

Listing of the U.S. Department of Commerce's Bureaus

The U.S. Department of Commerce is comprised of 13 bureaus and offices. The 13 bureaus and offices are as follows:

- National Oceanic and Atmospheric Administration
- U.S. Patent and Trademark Office
- Bureau of Economic Analysis
- Census Bureau
- National Institute of Standards and Technology
- National Technical Information Service
- International Trade Administration
- Economic Development Administration
- National Telecommunications and Information Administration
- Bureau of Industry and Security
- Minority Business Development Agency
- Office of the Secretary
- Office of the Inspector General