



INSPECTOR GENERAL

MEMORANDUM

DATE: February 28, 2020

TO: Jason Hoke
Federal Co-Chair, Denali Commission

Dr. Tamika L. Ledbetter
State Co-Chair, Commissioner Alaska Department of Labor
and Workforce Development

Alicia Siira
Executive Director, Associated General Contractors of Alaska

Julie E. Kitka
President, Alaska Federation of Natives

Nils Andreassen
Executive Director, Alaska Municipal League

Dr. Jim Johnsen
President, University of Alaska

Vince Beltrami
Executive President, Alaska State AFL-CIO

FROM: 
Roderick H. Fillinger
Inspector General

SUBJECT: *Review of the Denali Commission Compliance with the DATA Act
First Quarter Fiscal Year 2019 Submission (Report No. 2020-01)*

I am pleased to provide you with the attached audit report in which SB & Company, LLC (SBC), an independent public accounting firm, presented an opinion on the Denali Commission's compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act). SBC planned and performed the examination to obtain reasonable assurance about

- Completeness, timeliness, quality, and accuracy of fiscal year (FY) 2019, first quarter financial and award data submitted for publication on USASpending.gov, and

- The Denali Commission's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and the U.S. Department of the Treasury.

In SBC's opinion, the Denali Commission's DATA Act submission to Treasury's DATA Act Broker for the first quarter of FY 2019 was complete and submitted timely. While the data submitted was accurate, the Commission did not consistently report grant information on File D2. As a result, SBC determined that the quality of the Commission's data is considered "Lower" because of the missing financial assistance award information in file D2.

My office oversaw the audit performance, including the review of SBC's report and related documentation and inquiries of its representatives.¹ Our review disclosed no instances where SBC did not comply, in all material respects, with U.S. generally accepted government auditing standards. SBC is solely responsible for the attached report, dated February 21, 2020, and the conclusions expressed in it.

We appreciate the cooperation and courtesies the Denali Commission extended to both SBC and my office during the audit. If you wish to discuss the contents of this report, please call me at (907) 271-3500.

Attachment

cc: John Whittington, General Counsel

¹ The work performed by SBC was overseen by an interim inspector general who ended her oversight role as of September 30, 2019. Although SBC timely provided the deliverable, there was no inspector general to review the work and issue the report in November 2019. Upon my appointment commencing January 19, 2020, work resumed to complete the Report.

**Report of Findings and Recommendations for the Review of the Denali Commissions
Compliance with the DATA Act
First Quarter Fiscal Year 2019 Submission
Report Date: February 21, 2020**



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**Report of Findings and Recommendations for the Denali Commission’s Compliance with
DATA Act Submission Requirements**

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Section I

Background

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, the Office of Management and Budget (OMB) and 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 policy makers in May 2017.

Section II

Audit Objective

The objectives of this audit are to assess the (1) completeness, accuracy, timeliness, and quality of the financial and award data submitted for publication on USASpending.gov and (2) Federal agency's implementation and use of the Government-wide financial data standards established by OMB and Treasury for the Denali Commission (the Commission).

Scope and Methodology

The scope of this audit will be fiscal year 2019, first quarter financial and award data the Commission submitted for publication on USASpending.gov, and any applicable procedures, certifications, documentation, and controls to achieve this process.

To accomplish the objectives, the SB & Company, LLC (SBC):

- Obtained an understanding of any regulatory criteria related to the Commission's responsibilities to report financial and award data under the DATA Act;
- Reviewed the Commission'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 fiscal year 2019, first quarter summary-level data submitted by the Commission for publication on USASpending.gov;



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Section II (continued)

Scope and Methodology (continued)

- Reviewed a statistically valid sample from fiscal year 2019, first quarter financial and award data submitted by the Commission for publication on USASpending.gov;
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled; and
- Assessed the Commission's implementation and use of the 57 data elements/standards established by OMB and Treasury.



Section III - Testing and Test Results

Completeness and Timeliness of the Agency Submission

SBC evaluated the Commission's DATA Act submission to Treasury's DATA Act Broker and determined that the submission was complete and submitted timely. To be considered a complete submission, we evaluated Files A, B and C to determine that all transactions and events that should have been recorded were recorded in the proper period.

Summary-Level Data and Linkages for Files A, B, and C

SBC reconciled Files A and B to determine if they were accurate. Through test work, SBC noted that Files A and B were accurate. Additionally, we reconciled the linkages between Files A, B and C to determine if the linkages were valid and to identify any significant variances between the files. SBC test work did not identify any significant variances between Files A, B, and C.

Record-Level Data and Linkages for Files C and D

We selected 100% of the records per File C and compared to Files D1 and D2 to test the data elements for completeness, accuracy, and timeliness. No concerns were identified for File D1. However, management of the Denali Commission disclosed to SBC that the Commission did not consistently report grant information on File D2. For the quarter tested, SBC noted there was no financial assistance award information on the D2 file submission.

Completeness of the Data Elements

SBC selected for File A, 11 accounts per the File A submission and agreed the information to the SF-133. For File B, the population consisted of three TAS per File A that were compared to File B. For File C, 100% of PIID's were compared to the respective File D1. SBC noted that File D2 had no data to test. Except for File D2, SBC noted no errors. 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 online data dictionary, and agree with the authoritative source records.

Quality

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 following table provides the range of error in determining the quality of the data elements.



Section III - Testing and Test Results (continued)

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

Based on our test work, SBC selected the highest error rate of 41% and above due to financial assistance award information not being included in file D2 (which would be considered a 100% error in that File), we determined that the quality of the Denali Commission’s data is considered Lower.

Implementation and Use of the Data Standards

We have evaluated the Commission’s implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. The Denali Commission has fully implemented and are using those data standards as defined by OMB and Treasury. The Commission has fully implemented and are using those data standards as defined by OMB and Treasury. The data elements populated to the File A, B and C submissions for the Denali Commission agree to the 57 data elements required per the OMB and Treasury definitions per the DAIMS. Specifically, the Commission identified, linked by common identifiers (e.g. PIID, FAIN), all of the data elements in the agency’s procurement, financial, grants, and loan systems, as applicable.



APPENDIX I

Accuracy of Dollar Value Related to Data Elements								
PIID/FAIN	Data Element	Sample	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	11 - Federal Action Obligation	5	5	0	0	5	0%	\$ -
PIID	14- Current Total Amount of Award	5	5	0	0	5	0%	\$ -
PIID	15- Potential Total Value of Award	5	5	0	0	5	0%	\$ -
PIID	53- Obligation	5	5	0	0	5	0%	\$ -
PIID	57-Outlay	5	5	0	0	5	0%	\$ -
FAIN	11- Federal Action Obligation	0	0	Note A	Note A	Note A	100%	Note A



Accuracy of Dollar Value Related to Data Elements								
PIID/FAIN	Data Element	Sample	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
FAIN	12 -Non Federal Funding Amount	0	0	Note A	Note A	Note A	100%	Note A
FAIN	13 - Amount of Award	0	0	Note A	Note A	Note A	100%	Note A
FAIN	14 - Current Total Amount of Award	0	0	Note A	Note A	Note A	100%	Note A
FAIN	53 - Obligation	9	9	0	0	9	0%	-
FAIN	57 – Outlay	9	9	0	0	9	0%	-
<p>Note A- Denali Commission did not complete File D2. Therefore, these balances were not able to be tested; however, the Transaction Obligated Amount was approximately \$4.7 million per file C for items with a FAIN identifier.</p>								

Owings Mills, Maryland
 February 21, 2020

SB & Company, LLC