



Office of Inspector General

FLRA's Compliance with the
DATA Act of 2014
Second Quarter Submission

The Federal Labor
Relations
Authority's
Compliance with the
Digital
Accountability and
Transparency Act of
2014 for the Second
Quarter of Fiscal
Year 2021

Report No. AR-22-04

October 2021

Federal Labor Relations Authority
1400 K Street, N.W. Suite 250, Washington, D.C. 20424

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FLRA's Compliance with the DATA Act of 2014 Second Quarter FY 2021

Report No. AR-22-04

October 26, 2021

The Honorable Ernest DuBester
Chairman

Dembo Jones, P.C. was engaged by the Federal Labor Relations Authority (FLRA) Office of Inspector General (OIG) to conduct a performance audit of the FLRA's compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) for the second quarter Fiscal Year (FY) 2021. The audit was performed in accordance with 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, as revised on December 4, 2020 (CIGIE DATA Act Guide). This report presents the results of the audit.

The audit objectives were to assess: (1) the completeness, timeliness, quality, and accuracy of FY 2021, Second Quarter, financial and payment information submitted for publication on USASpending.gov; and (2) Government Accountability Office's (GAO) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and United States Department of the Treasury (Treasury). This report is for the purpose of concluding on the audit objectives described above. Accordingly, this report is not suitable for any other purpose.

The audit was conducted in accordance with the applicable U.S. generally accepted government auditing standards. Those standards require that the auditors conduct sufficient testing to obtain reasonable assurance that evidence is sufficient and appropriate to support the findings and conclusions in relation to the audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

The audit found that FLRA's FY 2021, Second Quarter submission was substantially complete, accurate, and timely. Dembo Jones, P.C. found that FLRA's FY 2021, second quarter submission for publication on USASpending.gov was accurate, substantially complete, timely, of excellent quality, and in accordance with data standards. Dembo Jones, P.C. issued one recommendation.



Dembo Jones, P.C.

North Bethesda, Maryland
October 26, 2021

FLRA's Compliance with the DATA Act of 2014 Second Quarter FY 2021 (Report No. AR-22-04)

EXECUTIVE SUMMARY

The DATA Act was enacted May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006 (FFATA). The DATA Act, in part, requires that Federal agencies report financial and payment data for publication on USAspending.gov in accordance with Government-wide financial data standards established by the Treasury and the OMB. The DATA Act also requires the OIG of each Federal agency to report on its agency's DATA Act submission and compliance in the form of three reviews.

The objectives of the audit were to:

- Evaluate whether the FLRA's internal controls over spending data have been properly designed, implemented, and operating effectively to manage and report financial and award data in accordance with the DATA Act;
- Assess the completeness, timeliness, quality, and accuracy of the FLRA's second quarter FY 2021 financial award data submitted for publication on USAspending.gov; and
- Assess the FLRA's implementation and use of the Government-wide financial data standards established by the OMB and the Treasury.

For the first objective, we determined that despite having a Data Quality Plan (DQP) in place, the Agency's internal controls over the DATA Act submission were not properly implemented and were insufficient to allow the Senior Accountable Official (SAO), to detect an incomplete submission for one of seven procurement actions in our sample. For the second objective, we determined that the DATA Act submissions were incomplete, due to the one omission, but were otherwise of "good quality." For the third objective, we determined that the submission was otherwise complete. We have made one recommendation.

In the Management Comments, the Senior Accountability Officer concurred with the recommendation. The SAO Comments are attached as Appendix C to the report.

BACKGROUND

The DATA Act was enacted May 9, 2014, to expand the reporting requirements pursuant to the FFATA. The DATA Act, in part, requires that Federal agencies report financial and payment data for publication on USAspending.gov in accordance with Government-wide financial data standards established by the Treasury and the OMB. The data is submitted to Treasury's DATA Act Broker in electronic files. The DATA Act also requires the OIG of each Federal agency to report on its agency's DATA Act submission and compliance in the form of three reviews.

Dembo Jones, P.C. last review was issued in September 2020. We determined that the FLRA internal controls over the DATA Act submission were not sufficient to allow the SAO, to provide reasonable assurance that the Agency’s financial and award data submitted for publication on USAspending.gov was complete, timely, accurate, and of quality. This was determined by us identifying one procurement action out of seven in our sample that was not included in one of the required files in the submission. The submission was otherwise of “good quality.”

This report is our fourth review to determine the FLRA’s compliance to the DATA Act.

OBJECTIVE, SCOPE AND METHODOLOGY

The objectives of this audit were to:

- Evaluate whether the FLRA’s internal controls over spending data have been properly designed, implemented, and operating effectively to manage and report financial and award data in accordance with the DATA Act;
- Assess the completeness, timeliness, quality, and accuracy of the FLRA’s second quarter FY 2021 financial award data submitted for publication on USAspending.gov; and
- Assess the FLRA’s implementation and use of the Government-wide financial data standards established by OMB and Treasury.

We reviewed laws, regulations, and Government-wide policies related to the DATA Act. We interviewed staff in the FLRA Budget and Finance Division, the FLRA Administrative Services Division and the Bureau of Fiscal Service (BFS) Administrative Resource Center (ARC) to learn about internal controls over the DATA Act submission. We reviewed the quarterly assurance statement provided as part of the submission and the matching/validation reports to determine whether the Agency’s internal controls identified issues with the DATA Act submission and took steps to remedy those issues.

We obtained the FLRA’s DATA Act submission from the DATA Act broker for the second quarter FY 2021, which consisted of the following files:

- File A – Appropriations Account;
- File B – Object Class and Program Activity;
- File C – Award Information – Financial;
- File D1 – Awards and Awardee Attributes –Procurement Awards; and
- File E – Additional Awardee Attributes.

For Files A, B, C, and D1, we performed analytical tests on the files to determine the accuracy, completeness, timeliness, and quality of the data. We compared File A and File B to each other and to the Agency’s Report on Budget Execution and Budgetary Resources (SF-133) submission for second quarter FY 2021 to determine whether they equaled and whether all Treasury Account Symbols were included. We compared the Program Activity Names and Codes in File B with the OMB Max Collect Repository. We assessed the

linkages between File B and File C by tracing the Treasury Account Symbols, Program Activity, and Object Class from File C to File B. We determined whether all applicable procurement awards selected in File C were included in File D1, and whether all awards in File D1 were in File C. We reviewed procurement data from the Agency's Financial System, to determine whether any obligations in second quarter FY 2021 were not included in File C and File D1. We obtained the contract files for all awards selected in File D1 and compared them to the DATA Act submission to determine the accuracy of the data in File C and File D1. We determined whether the DATA Act submission was submitted on a timely basis and whether contract actions were being reported into the Federal Procurement Data System (FPDS) timely. On the basis of the accuracy, completeness, and timeliness of the data, we concluded on the quality of the data using the Quality Scorecard from the CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act (CIGIE DATA Act Guide).

File E and F data is the responsibility of the awardee in accordance with the terms and conditions of Federal agreements. Therefore, we did not test the quality of the data in these files.

We conducted this performance audit in accordance with generally accepted government auditing standards during the period from April 2021 through October 2021. 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.

We selected 100% of the certified spending data from FLRA's certified File C (award level transactions) for testing to determine whether FLRA's DATA Act award data was completed, timely and accurate. There were only seven procurement actions that were above the micro-purchase threshold of \$10,000 during the second quarter, FY 2021. All seven were tested.

EVALUATION OF INTERNAL CONTROLS

Despite having a Data Quality Plan, the Agency's internal controls over the DATA Act submission were not properly implemented to allow the SAO to provide reasonable assurance that the Agency financial and award data submitted for publication on USAspending.gov were complete, accurate, and of good quality. One procurement action tested was not timely "released" from the "PRISM" procurement software. The release function was supposed to be automatic but it had not been functioning properly. Procurement personnel have to manually "release" procurement records in PRISM so they appear in File D after interfacing with the Federal Procurement Data System. File D contains contractor detail and is from the Federal Procurement Data System. If the SAO implemented adequate controls, then the missing item in File D would have been detected, via a reconciliation process for File D.

Data Quality Plan

OMB Memorandum 18-16, dated June 6, 2018, requires that agencies subject to the DATA Act reporting develop and maintain a DQP that considers the incremental risk to data quality in Federal spending data and any controls that would manage such risks in accordance with OMB Circular A-123.

The SAO issued a policy identified as "Digital Accountability and Transparency Act Data Quality Plan," in a prior year. We reviewed the policy and determined that it meets the OMB's Data Act Quality Plan requirements.

Certification of DATA Act Submission

OMB Management Procedures Memorandum (MPM) 2016-03 states that SAOs or their designees must provide a quarterly assurance that their agency's internal controls support the reliability and validity of the agency account-level and award-level data reported for display on USAspending.gov.

OMB Memorandum 17-04 states that the SAO assurance will be submitted through the DATA Act broker process and requires the SAO to assure that:

- The alignment among Files A-F is valid and reliable; and
- The data in each DATA Act file submitted for display on USAspending.gov are valid and reliable.

To provide this assurance, the SAO was required to attest to the validity and reliability of the complete DATA Act submission, including the interconnectivity/linkages across all the data in the DATA Act files and confirm that internal controls over data quality mechanisms are in place for the data submitted in DATA Act files. The quarterly assurance statement for second quarter FY 2021 was submitted to the DATA Act broker as part of the certification process.

DATA QUALITY

Completeness

The quality of data is defined by OMB as a combination of utility, objectivity, and integrity. Utility refers to the usefulness of the information to the intended users, objectivity refers to whether the disseminated information is being presented in an accurate, clear, complete, and unbiased manner, and integrity refers to the protection of information from unauthorized access or revision. As a measurement of the quality, we looked at the completeness, accuracy, and timeliness of the data.

Completeness of data is defined by the GAO as the extent to which relevant data records and fields are present and sufficiently populated. It is measured in two ways: all transactions that should have been recorded are recorded in the proper period, and transactions contain all applicable data elements required by the DATA Act.

The DATA Act Implementation Playbook, last updated June 24, 2016, requires that agencies submit multiple files, including:

- a) File A – appropriation summary level data;
- b) File B – obligation and outlay information at the program activity and object class level;
- c) File C – obligations at the award and object class level;
- d) File D1 – award and awardee attributes for procurement data pulled from the FPDS-NG;
- e) File E – additional prime awardee attributes; and
- f) File F – sub-award attributes (not applicable to the FLRA).

We determined that the each of the files had all the required data elements, except for one missing procurement action in File D1.

Files A and B

We determined that Files A and B were complete in that all files have entries in the required data elements.

Files C and D1

The DATA Act Implementation Playbook states that the data in File D1 is pulled from FPDS. The award and awardee details for File D1 are to be linked to File C using the Unique Procurement Instrument Identifier (PIID) and Parent PIID for procurement awards in File D1.

Section 4.606 of the Federal Acquisition Regulation (FAR) discusses reporting in FPDS-NG, stating that at a minimum, agencies must report the following contract actions over the micro-purchase threshold [\$10,000], regardless of solicitation process used, and agencies must report any modification to these contract actions that change previously reported contract action data, regardless of dollar value:

- (i) Definitive contracts, including purchase orders and imprest fund buys over the micro-purchase threshold awarded by a contracting officer.
- (ii) Indefinite delivery vehicle (identified as an "IDV" in FPDS).

As noted previously, one procurement action was in File C, but not File D, due to a problem with the automatic release function in the procurement system PRISM.

Accuracy

The accuracy of data is defined by GAO as the extent that recorded data reflect the actual underlying information.

Analytical Testing

File A and File B both contain financial data for 6 fiscal years. The files should match each other and the source data found in the Agency's Report on Budget Execution and Budgetary Resources (SF-133). To test the accuracy, we compared the data in File A to File B and to the SF-133. We found that the data in File A matched both File B and the SF-133.

The authoritative source for Program Activity Codes and Names is the OMB MAX Collect repository. When we compared the OMB Max Collect repository listing to File B, we found that the program activity names in File B were identical.

Data Element Testing and Comparative Results with Prior Years Tested

Files C and D1 contain financial and award data for specific awards. There are 41 required data elements in File D1 and 7 required data elements in File C. To test the accuracy of the File C and File D1 data, we compared the data to the contract file and to other authoritative documentation for both the initial submission and the resubmission. We found no errors in the procurement actions tested, except for the one missing procurement action in File D1. We did not find errors in previous audits.

Timeliness

Second Quarter DATA Act Submission

The second quarter submission was timely filed.

Quality

To determine the overall quality of the second quarter FY 2021 DATA Act submission, we used the CIGIE DATA Act Guide's Quality Scorecard. The table below shows the overall quality level using the Quality Scorecard:

	Submission		Maximum
Timeliness of Agency Submission	5		5
Completeness of Summary Level Data (Files A & B)	13		13
Suitability of File C for Sample Selection	12.6		13
Record-Level Linkages (Files C & D1/D2)	7.7		9
Completeness	15		15
Accuracy	30		30
Timeliness	15		15
Total	98.3		100
QUALITY SCORE	Excellent		

Data Quality Levels

Range		Quality Level
0	69.999	Lower
70	84.999	Moderate
85	94.999	Higher
95	100	Excellent

Source: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act, 12/4/2020, Section 820.05

IMPLEMENTATION AND USE OF FINANCIAL DATA STANDARDS

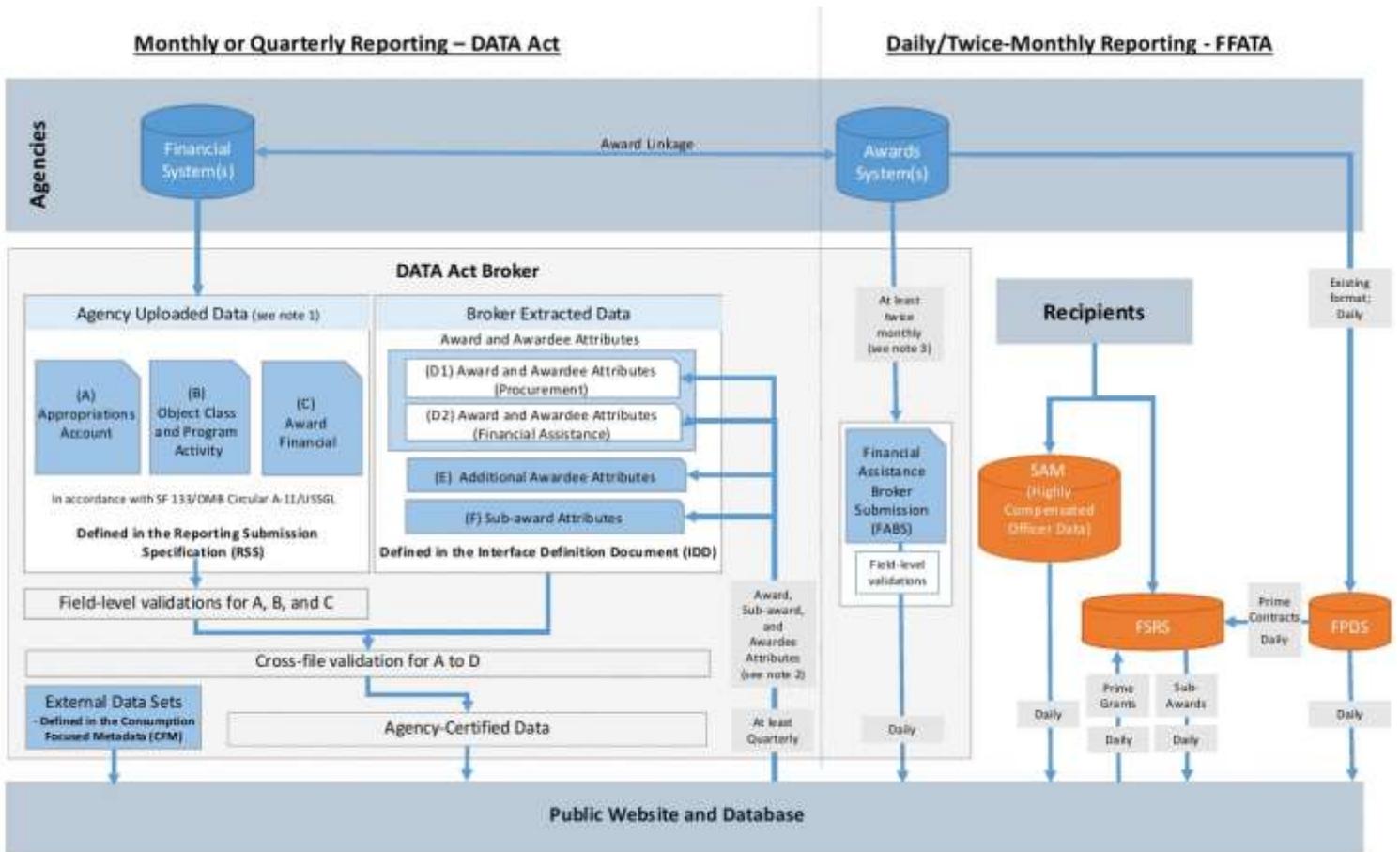
We determined that the BFS ARC, the Agency's Federal Shared Service Provider, is responsible for determining the applicable data standards for its customers. In our testing for completeness, we determined that the data elements required in OMB's data standards were in the Agency's second quarter FY 2021 submission.

RECOMMENDATION – For FLRA Senior Accountability Officer

1. Develop and implement internal controls to ensure that:
 - a. Procurement actions are reported into FPDS within the time requirement set out in the FAR; and
 - b. There is a documented process of procurement data quality control that enables the SAO to reasonably provide assurances of validity, reliability, and completeness of the DATA Act submission. The process should include reconciling File C to File D to be sure all procurement actions in File C are listed in File D.

Appendix A

DATA Act Information Flow Diagram



Note 1: Agencies receiving COVID-19 supplemental funding must report three monthly submissions covering April, May, and June 2020 in July 2020. Afterwards, they must report all data on a monthly cadence. Agencies that have not received any COVID-19 supplemental funding may continue to report quarterly until FY22 P02, when they must begin full monthly submissions.

Note 2: D1 and D2 pull in all award data associated with the funding or awarding agency and action dates as specified by the agency. E pulls in highly-compensated officer information for DUNS numbers that appear in an agency's D1 and D2. F pulls in all sub-award data associated with the awards that appear in an agency's D1 and D2.

Note 3: Per DMB M-20-21, agencies should report non-loan financial assistance (including aggregates) to FABS at least twice a month (appropriately spacing apart the reporting dates), in each case reporting all issued-but-yet-to-be-reported awards. Issued-but-yet-to-be-reported loans can continue to be reported on a monthly cadence; refer to the Practices & Procedures Section 2.1.1 for more information.

Schema Version 2.0
May 6, 2020

Appendix B

Abbreviations

ARC	Administrative Resource Center
BFS	Bureau of Fiscal Service
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
FAEC	Federal Audit Executive Council
FLRA	Federal Labor Relations Authority
FY	Fiscal Year
FPDS	Federal Procurement Data System
FFATA	Federal Funding Accountability and Transparency Act of 2006
GAO	Government Accountability Office
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
PRISM	The procurement system provided by ARC
SAO	Senior Accountable Official
Treasury	United States Department of the Treasury



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY

October 25, 2021

MEMORANDUM

TO: Dana Rooney
Inspector General

FROM: Michael Jeffries 
Executive Director

SUBJECT: Management Response to FLRA's Compliance with the DATA Act of 2014 Second Quarter FY 2021

Thank you for the opportunity to review and provide comments on the Office of Inspector General's (OIG) draft Management Advisory Review report "*FLRA's Compliance with the DATA Act of 2014 Second Quarter FY 2021.*" The Federal Labor Relations Authority (FLRA) appreciates the comprehensive performance audit of our compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) for the second quarter of Fiscal Year (FY) 2021. Our data quality level rating of 98.3% is both exhilarating and encouraging to know the time and effort is reflected.

We are committed to achieving system resolution regarding the timely reporting of procurement data. We agree with the singular recommendation to improve internal controls to better facilitate the timely reporting of procurements to the Federal Procurement Data System (FPDS) for USAspending.gov reporting.

RECOMMENDATION – For FLRA Senior Accountability Officer

1. Develop and implement internal controls to ensure that:
 - a. Procurement actions are reported into FPDS within the time requirement set out in the FAR; and
 - b. There is a documented process of procurement data quality control that enables the SAO to reasonably provide assurances of validity, reliability, and completeness of the DATA Act submission. The process should include reconciling File C to File D to be sure all procurement actions in File C are

Management Response: The Executive Director concurs with the recommendation and will work with the Director of ASD to ensure procurements are reported timely to USAspending.gov.

We would like to thank the OIG for your efforts and continued collaboration in support of FLRA programs.

Appendix D

Report Distribution

Federal Labor Relations Authority

The Honorable Colleen Duffy Kiko, Member
The Honorable James Abbott, Member
Michael Jeffries, Executive Director
Pershette Wakefield, Senior Accountability Officer
Gregory Mister, Director Budget and Finance

CONTACTING THE OFFICE OF INSPECTOR GENERAL

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EMAIL: OIGMAIL@FLRA.GOV
CALL: (202)218-7970 FAX: (202)343-1072
WRITE TO: 1400 K Street, N.W. Suite 250, Washington,
D.C. 20424

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Office of Inspector General

FLRA's Compliance with
the DATA of 2014
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