



**U.S. Consumer Product Safety Commission
OFFICE OF INSPECTOR GENERAL**



Audit of the CPSC's Compliance with the DATA Act

November 4, 2021

22-A-02



VISION STATEMENT

We are agents of positive change striving for continuous improvements in our agency's management and program operations, as well as within the Office of Inspector General.

STATEMENT OF PRINCIPLES

We will work with the Commission and the Congress to improve program management.

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews.

Use our investigations and other reviews to increase government integrity and recommend improved systems to prevent fraud, waste, and abuse.

Be innovative, question existing procedures, and suggest improvements.

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness.

Strive to continually improve the quality and usefulness of our products.

Work together to address government-wide issues.



November 4, 2021

TO: Alexander D. Hoehn-Saric, Chair
Robert S. Adler, Commissioner
Dana Baiocco, Commissioner
Peter A. Feldman, Commissioner

FROM: Christopher W. Dentel, Inspector General

SUBJECT: Audit of the CPSC's Compliance with the DATA Act

This report contains the results of our audit of the U.S. Consumer Product Safety Commission's (CPSC) compliance with the Digital Accountability and Transparency Act (DATA Act). The DATA Act requires that federal agencies report financial and award data in accordance with data standards established by the U.S. Department of the Treasury (Treasury) and Office of Management and Budget (OMB). Making federal spending data accessible, searchable, and reliable provides opportunities not only to have an open public-facing dialogue on how federal dollars are spent, but also to serve as a tool for better oversight, management decision-making, and innovation both inside and outside of government.

We conducted this audit in accordance with Government Auditing Standards. The objectives of the audit were to assess: the completeness, accuracy, timeliness, and quality of fiscal year 2021 first quarter financial and award data submitted for publication on USAspending.gov; and the CPSC's implementation and use of the government-wide financial data standards established by OMB and Treasury.

We noted that the CPSC continues to make significant progress in its efforts to comply with the DATA Act and continues to maintain a high level of data quality. We make no recommendations at this time.

Thank you for the courtesy and cooperation extended to my staff during the audit. Please feel free to contact me if you or your staff has any questions or concerns.



EXECUTIVE SUMMARY

AUDIT OF THE CPSC'S COMPLIANCE WITH THE DATA ACT

November 4, 2021

We noted that the CPSC continues to make significant progress in its efforts to comply with the DATA Act and continues to maintain a high level of data quality. We make no recommendations at this time. We have no findings.

OBJECTIVE This audit had two objectives. The first objective of the audit was to assess the completeness, accuracy, timeliness, and quality of fiscal year 2021, first quarter (October 1, 2020 – December 31, 2020) financial and award data submitted for publication on USAspending.gov. The second objective was to assess the U.S. Consumer Product Safety Commission's (CPSC) implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury's (Treasury) Program Management Office.

BACKGROUND The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014, and, among other things, requires that federal agencies report financial and award data in accordance with data standards established by OMB and Treasury.

In addition, the DATA Act requires agency Inspectors General to audit statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, accuracy, timeliness, and quality of the data sampled and the use of the data standards by the agency.

RESULTS Overall, we concluded that the CPSC continues to make progress in its efforts to comply with the DATA Act by performing activities consistent with the government-wide guidance issued by OMB and Treasury. While progress continues, we identified minor errors with the completeness, accuracy, and timeliness of data submitted for publication. These errors have minimally affected the quality and usefulness of this information.

While some of these issues are attributable to root causes within the CPSC's control, most issues we identified are beyond the CPSC's control. These issues are a result of how the Treasury's DATA Act Broker extracts data from external award reporting systems and thus must be resolved by those parties.

Overall, we found that the CPSC implemented the government-wide data standards in accordance with the implementation guidance provided by OMB and Treasury. This marks the last of three mandated Office of Inspector General DATA Act reports due to Congress.

RECOMMENDATIONS We do not make any recommendations at this time.

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ABBREVIATIONS AND SHORT TITLES

TERM	MEANING
Broker	Treasury's DATA Act Broker
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
CPSC	U.S. Consumer Product Safety Commission
DATA ACT	Digital Accountability and Transparency Act of 2014
FAEC	Federal Audit Executive Council
FPDS-NG	Federal Procurement Data System – Next Generation
FY	Fiscal Year
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
SAM	System for Award Management
Treasury	Department of the Treasury



OBJECTIVES

This audit had two objectives. The first objective of the audit was to assess the completeness, accuracy, timeliness, and quality of fiscal year (FY) 2021, first quarter (October 1, 2020 – December 31, 2020) financial and award data submitted for publication on USAspending.gov. The second objective was to assess the U.S. Consumer Product Safety Commission's (CPSC) implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury's (Treasury) Program Management Office.

BACKGROUND

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014, and, among other things, requires that federal agencies report financial and payment data in accordance with data standards established by OMB and Treasury. In May 2015, OMB and Treasury published 57 data definition standards (commonly referred to as data elements). Treasury began displaying federal agencies' standardized data on USAspending.gov¹ for taxpayers and policy makers in May 2017.

In April 2020, OMB issued Memorandum-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, which made changes to DATA Act reporting. As a result, two additional data elements related to disaster funding became significant in promoting full and transparent reporting of spending. As such, there are now 59 applicable data elements to be tested for all agencies. Agencies that received COVID-19 supplemental relief funding must report financial and payment data on a monthly basis on USAspending.gov.²

In addition to requirements placed on agencies, the DATA Act requires agency Inspectors General to audit statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, accuracy, timeliness, and quality of the data sampled and the use of the data standards by the agency. The Inspector General community, through the Federal Audit Executive Council (FAEC), stood up the DATA Act Working Group. On December 3, 2015, the FAEC DATA Act Working Group issued the *Inspectors General Guide to Compliance under the DATA Act*. The guide was updated December 4, 2020, to reflect lessons learned from the

¹Prior to March 2, 2018, agency data were published on Beta.USAspending.gov, a beta version of the new USAspending.gov website.

² While the CPSC did receive American Rescue Plan Act of 2021 funds during the second quarter of FY 2021, the second quarter was not in scope for FY 2021 DATA Act testing.



prior audit cycle. The guidance provides a common methodological and reporting approach for the Inspector General community to use in performing its mandated work. The Office of Inspector General (OIG) used this guide to complete this audit and the two prior reports from 2017 and 2019.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act of 2014. That is, the first Inspector General (IG) reports were due to Congress November 8, 2016; however, federal agencies were not required to report spending data until May 2017. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform. Thus, the Inspectors General provided Congress with their first required reports by November 8, 2017, one year after the statutory due date, with two subsequent reports to be submitted in 2019 and 2021.

Agency Requirements

The Office of Financial Management, Planning and Evaluation is responsible for the implementation of the DATA Act at the CPSC. In accordance with DATA Act Information Model Schema,³ the agency submission must contain the following files:

- File A: Appropriations Account
- File B: Object Class and Program Activity
- File C: Award Financial
- File D1: Award and Awardee Attributes – Procurement Awards
- File D2: Award and Awardee Attributes – Financial Assistance Awards
- File E: Highly Compensated Officer Data
- File F: Subaward Attributes

Each reporting entity has a Senior Accountable Official who must provide quarterly assurance via a statement of accountability to confirm an agency's efforts to support data quality. The Senior Accountable Official assures their agency's internal controls support the reliability and validity of its data submitted for display on USA Spending.gov and that the linkages among Files A through F are valid.⁴

Files A, B, and C were prepared and submitted by the agency's shared service provider, Administrative Resource Center, using data from the CPSC's financial

³ The DATA Act Information Model Schema includes technical guidance for federal agencies about what data to report to Treasury including the authoritative sources of the data elements and the submission format.

⁴ OMB Memorandum-17-04, *Memorandum for Agency Senior Accountable Officials, Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, November 4, 2016.



system. File D1 is provided to USAspending.gov from the Federal Procurement Data System-Next Generation (FPDS-NG). The information in FPDS-NG is entered by the CPSC and imported from third-party sources. The CPSC is responsible for entering grant information in the Financial Assistance Broker Submission System which then generates File D2.

File E contains additional awardee attribute information Treasury's DATA Act Broker (Broker)⁵ extracts from the System for Award Management (SAM). File F contains subaward attribute information the Broker extracts from the Federal Funding Accountability and Transparency Act Subaward Reporting System. Files E and F data remains the responsibility of the awardee in accordance with terms and conditions of federal agreements; and the quality of this data remains the legal responsibility of the recipient. Therefore, the agency Senior Accountable Official is not responsible for certifying the quality of Files E and F data reported by awardees; however, they are responsible for ensuring controls are in place to verify that financial assistance awardees register in SAM at the time of the contract award. As such, completeness, accuracy, timeliness, and quality of the data extracted from SAM and the Federal Funding Accountability and Transparency Act Subaward Reporting System via the Broker is outside the scope of this audit.

OIG Requirements

OIG determined the extent to which the agency's data was complete, accurate, timely, and of quality, and assessed agency implementation and use of data standards. We reviewed the agency's original submission for the following:

1. the completeness and timeliness of the submission as a whole
2. the completeness and accuracy of summary-level financial data and linkages between Files A, B, and C
3. the completeness of detail-level award data from File C
4. the completeness, accuracy, and timeliness of the linkages between Files C and D1

To test the completeness, accuracy, and timeliness of Files C and D1 we tested 30 sample records.⁶

⁵ A system that collects and validates agency-submitted and government-wide data and prepares it for publication.

⁶ The sample size is based on the population size with a 95 percent confidence level, the expected error rate, and a desired sampling precision of five percent.



NON-STATISTICAL SUBMISSION TESTING

We reconciled Files A and B to determine if they 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. Files C and D1 are linked through the Procurement Instrument Identifier (PIID).⁷ We matched the PIIDs between the files to determine the completeness of File C for sampling. Through our test work, we determined that Files A and B were accurate, File C was complete, and there were no variances between Files A, B, and C.

We viewed the submission dashboard to confirm the first quarter FY 2021 submission was timely in accordance with the reporting schedule.⁸ We reviewed the certification statement for each file and noted acknowledgement of the validation warnings by the Senior Accountable Official and associated corrective actions where necessary. The CPSC submission was completed timely on February 5, 2021, prior to the due date of February 16, 2021, in accordance with the schedule established by Treasury. The submission was deemed to be complete because transactions and events that should have been recorded were recorded in the proper period.

STATISTICAL SAMPLE TESTING

We then tested 30 randomly selected items from File C which link to applicable data elements reported in Files D1 and D2.⁹ Each sample included up to 48 applicable data elements.¹⁰ Each data element was tested for completeness, accuracy, and timeliness. We tested a total of 1,365 data points.¹¹

A data element was considered complete if it was reported in the appropriate file. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with OMB and Treasury guidance, and agreed with the authoritative source records. The timeliness of data elements was based on the reporting schedules defined by the procurement requirements. The quality of the data sampled was defined as data that was complete and accurate and input timely.

⁷ PIIDs are the award identification for procurement awards.

⁸ Treasury, FY 2021 DATA Act Monthly Reporting Window Schedule, [Reporting Schedule](#)

⁹ The CPSC had no transactions in File D2, financial assistance awards.

¹⁰ These elements were selected by determining which of the 59 standard data elements are applicable to Files C and D1 based on the DATA Act Information Model Schema. The remaining elements are tested in Files A and B, or are unique to Files D2, E, or F. Data element 21 is included with data element 51.

¹¹ We tested each of the 48 elements for three attributes (completeness, accuracy, and timeliness), or 144 possible data points per sample. Of the resulting 4,320 data points (30 samples x 144), 1,365 data points were applicable.



In our assessment of File C, we found that the financial and award data included in the CPSC’s FY 2021 first quarter DATA Act submission was not error free. However, we did note a significant decrease in the rate of agency errors over the results found in the audits of the FY 2019 and FY 2017 data submissions, while the rate of third-party errors increased over the prior audit.

Data Element Analysis

Each data element is tested for completeness, accuracy, and timeliness of the data entry. Below is the analysis of the results of the completeness, accuracy, and timeliness testing for the CPSC’s data submission, by data element. While there are a maximum of 59 potential data elements only 48 apply to the statistical sample selected to test Files C and D1. The remaining elements are only applicable to Files A, B, D2, E, or F. File D2 contained no records to test. The error rates in the tables below do not reflect projected error rates to the population, but error rates based on the sample tested.

TABLE 1: Error Rates by Data Element (Descending Order by Accuracy)¹²

No.	Data Element Name	Completeness	Accuracy	Timeliness	Source
6	Legal Entity Congressional District	70%	73%	70%	Other
4	Ultimate Parent Legal Entity Name	0%	43%	0%	Other
3	Ultimate Parent Unique Identifier	0%	27%	0%	Other
5	Legal Entity Address	3%	13%	3%	Other
30	Primary Place of Performance Address	0%	7%	0%	Agency
1	Awardee/Recipient Legal Entity Name	0%	3%	0%	Other
2	Awardee/Recipient Unique Identifier	0%	3%	0%	Other
7	Legal Entity Country Code	3%	3%	3%	Other
8	Legal Entity Country Name	3%	3%	3%	Other
24	Parent Award ID Number	0%	7%	0%	Agency
31	Primary Place of Performance Congressional District	0%	3%	0%	Agency
13	Federal Action Obligation	0%	0%	0%	Agency
14	Current Total Value of Award	0%	0%	0%	Agency
15	Potential Total Value of Award	0%	0%	0%	Agency
16	Award Type	0%	0%	0%	Agency
17	NAICS Code	0%	0%	0%	Agency
18	NAICS Description	0%	0%	0%	Agency
22	Award Description	0%	0%	0%	Agency
23	Award Modification/Amendment Number	0%	0%	0%	Agency
25	Action Date	0%	0%	0%	Agency
26	Period of Performance Start Date	0%	0%	0%	Agency
27	Period of Performance Current End Date	0%	0%	0%	Agency
28	Period of Performance Potential End Date	0%	0%	0%	Agency
29	Ordering Period End Date	0%	0%	0%	Agency
32	Primary Place of Performance Country Code	0%	0%	0%	Agency
33	Primary Place of Performance Country Name	0%	0%	0%	Other
34	Award ID Number (PIID/FAIN)	0%	0%	0%	Agency
36	Action Type	0%	0%	0%	Agency
38	Funding Agency Name	0%	0%	0%	Other
39	Funding Agency Code	0%	0%	0%	Other
40	Funding Sub Tier Agency Name	0%	0%	0%	Other
41	Funding Sub Tier Agency Code	0%	0%	0%	Other

¹² Elements only applicable to Files A, D2, E, or F were removed as not applicable. Data element 21 is included with data element 51.



42	Funding Office Name	0%	0%	0%	Other
43	Funding Office Code	0%	0%	0%	Other
44	Awarding Agency Name	0%	0%	0%	Other
45	Awarding Agency Code	0%	0%	0%	Other
46	Awarding Sub Tier Agency Name	0%	0%	0%	Other
47	Awarding Sub Tier Agency Code	0%	0%	0%	Other
48	Awarding Office Name	0%	0%	0%	Other
49	Awarding Office Code	0%	0%	0%	Other
50	Object Class	0%	0%	0%	Agency
51	Appropriations Account	0%	0%	0%	Agency
53	Obligation	0%	0%	0%	Agency
54	Unobligated Balance	0%	0%	0%	Agency
56	Program Activity	0%	0%	0%	Agency
163	National Interest Action	0%	0%	0%	Agency
430	Disaster Emergency Fund Code	0%	0%	0%	Agency

Source: OIG analysis of CPSC data

CPSC’s Comparative Results for Data Elements

The table below shows the error rate by data element and data source from the FY 2019 and FY 2021 audit results. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual change because of differences in testing procedures such as population size, sample methodology, file tested, and changes to data definition standards.

TABLE 2: Comparative Results Table¹³

No.	Data Element Name	2021	2019	Amount of Change	Source
6	Legal Entity Congressional District	73%	6%	67%	Other
4	Ultimate Parent Legal Entity Name	43%	9%	34%	Other
3	Ultimate Parent Unique Identifier	27%	1%	25%	Other
5	Legal Entity Address	13%	6%	7%	Other
30	Primary Place of Performance Address	7%	1%	5%	Agency
2	Awardee/Recipient Unique Identifier	3%	0%	3%	Other
7	Legal Entity Country Code	3%	0%	3%	Other
8	Legal Entity Country Name	3%	0%	3%	Other
24	Parent Award ID Number	7%	0%	7%	Agency
31	Primary Place of Performance Congressional District	3%	0%	3%	Agency
1	Awardee/Recipient Legal Entity Name	3%	3%	0%	Other
13	Federal Action Obligation	0%	0%	0%	Agency
14	Current Total Value of Award	0%	0%	0%	Agency
15	Potential Total Value of Award	0%	0%	0%	Agency
16	Award Type	0%	0%	0%	Agency
17	NAICS Code	0%	0%	0%	Agency
18	NAICS Description	0%	0%	0%	Agency
23	Award Modification/Amendment Number	0%	0%	0%	Agency
29	Ordering Period End Date	0%	0%	0%	Agency
32	Primary Place of Performance Country Code	0%	0%	0%	Agency
33	Primary Place of Performance Country Name	0%	0%	0%	Other
34	Award ID Number (PIID/FAIN)	0%	0%	0%	Agency
36	Action Type	0%	0%	0%	Agency
38	Funding Agency Name	0%	0%	0%	Other
39	Funding Agency Code	0%	0%	0%	Other
40	Funding Sub Tier Agency Name	0%	0%	0%	Other
41	Funding Sub Tier Agency Code	0%	0%	0%	Other

¹³ Data element 163 and data element 430 are not present since they were not tested in 2019. Elements only applicable to Files A, D2, E, or F were removed as not applicable. Data element 21 is included with data element 51.



42	Funding Office Name	0%	0%	0%	Other
44	Awarding Agency Name	0%	0%	0%	Other
45	Awarding Agency Code	0%	0%	0%	Other
46	Awarding Sub Tier Agency Name	0%	0%	0%	Other
47	Awarding Sub Tier Agency Code	0%	0%	0%	Other
48	Awarding Office Name	0%	0%	0%	Other
49	Awarding Office Code	0%	0%	0%	Other
51	Appropriations Account	0%	0%	0%	Agency
53	Obligation	0%	0%	0%	Agency
54	Unobligated Balance	0%	0%	0%	Agency
56	Program Activity	0%	0%	0%	Agency
22	Award Description	0%	1%	-1%	Agency
43	Funding Office Code	0%	1%	-1%	Other
25	Action Date	0%	3%	-3%	Agency
26	Period of Performance Start Date	0%	3%	-3%	Agency
27	Period of Performance Current End Date	0%	3%	-3%	Agency
50	Object Class	0%	4%	-4%	Agency
28	Period of Performance Potential End Date	0%	7%	-7%	Agency

Source: OIG analysis of CPSC data

Analysis of Sources of Errors in Data Elements

We found 5 of 30 samples contained no errors. We found 104 errors in the 25 samples with one or more errors. Of the errors we found, five errors were directly attributable to CPSC actions and 99 were related to data elements supplied by systems outside CPSC control. These non-CPSC issues are a result of how the Broker extracts data from external award reporting systems and are third-party issues. The errors are also included in the error rates at Table 1. The tables below provide detail on the 104 errors and their source.

Table 3: Errors in Data Elements Not Attributable to the Agency

No.	Data Element Name	Attributed To	Completeness	Accuracy	Timeliness
6	Legal Entity Congressional District	FPDS-NG Extracting from SAM	21	22	21
4	Ultimate Parent Legal Entity Name	Broker Extracting from SAM	0	13	0
3	Ultimate Parent Unique Identifier	Broker Extracting from SAM	0	8	0
5	Legal Entity Address	Broker Extracting from SAM	1	4	1
1	Awardee/Recipient Legal Entity	Broker Extracting from SAM	0	1	0
2	Awardee/Recipient Unique Identifier	Broker Extracting from SAM	0	1	0
7	Legal Entity Country Code	Broker Extracting from SAM	1	1	1
8	Legal Entity Country Name	Broker Extracting from SAM	1	1	1
Total			24	51	24

Source: OIG analysis of CPSC data

Table 4: Errors in Data Elements Attributable to the Agency

No.	Data Element Name	Completeness	Accuracy	Timeliness
30	Primary Place of Performance Address	0	2	0
31	Primary Place of Performance Congressional District	0	1	0
24	Parent Award ID Number	0	2	0
Total		0	5	0

Source: OIG analysis of CPSC data



Analysis of the Accuracy of Dollar Value-Related Data Elements

We performed non-statistical testing of accuracy over dollar value-related data elements to test the linkages between Files C and D1. The dollar-value related data elements tested are Federal Action Obligation (data element 13), Current Total Value of Award (data element 14), Potential Total Value of Award (data element 15), and Transaction Obligation (data element 53). No instances existed where the Transaction Obligation Amount in File C did not equal the inverse of the Federal Action Obligation in File D1. Additionally, there were no exceptions related to the dollar-value of these elements.

Quality

Quality is a reflection of the overall completeness, accuracy and timeliness of the DATA Act submission.

The overall error rates were calculated by taking the average rates of error by record and averaging them over the total number of sample items tested. The sample size is based on the population size, with a 95 percent confidence level, the expected error rate, and a desired sampling precision of five percent.

Table 5: Errors Rates¹⁴

Audit Results	Incomplete	Inaccurate	Untimely
Total Errors	24	56	24
Error Rate	1.77%	4.10%	1.77%

Source: OIG analysis of CPSC data

The quality level is determined by including and assigning quantifiable values to non-statistical testing and combining those results with statistical sampling results. The CPSC received a quality score of 98.26 or Excellent.

Table 6: Quality Level

Range	Level
0.0 - 69.9	Lower
70.0 - 84.9	Moderate
85.0 - 94.9	Higher
95.0 - 100	Excellent

Source: OIG analysis of CPSC data using *CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act*

¹⁴ The projected error rate for the completeness and timeliness of the data elements is between 0% and 6.77%, and for accuracy is between 0% and 9.10%.



Implementation and Use of the Data Standards

For our second audit objective, we reviewed the CPSC's implementation of the government-wide financial data standards against the Treasury's DATA Act Information Model Schema and determined the CPSC has fully implemented and is using the standards as defined by OMB and Treasury. All of the applicable data elements in the agency's financial, procurement, and grants systems, are linked by the common identifiers.¹⁵ 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.

ASSESSMENT OF THE CPSC'S DATA SUBMISSION

Overall, we concluded that the CPSC continues to make significant progress in its efforts to comply with the DATA Act by performing activities consistent with the government-wide guidance issued by OMB and Treasury. While progress continues, we identified minor errors with the completeness, accuracy, and timeliness of data submitted for publication. These errors have minimally affected the quality and usefulness of this information.

While some of the issues referred to above are attributable to root causes within the CPSC's control, most issues we identified are beyond the CPSC's control. These issues are a result of how the Broker extracts data from external award reporting systems and are third-party issues that must be resolved by those providers.

Implementation of Internal Controls

We reviewed policies and procedures related to procurement data entry, approvals, and processing in the CPSC's source system. Additionally, we performed interviews of finance and procurement personnel. We reviewed Broker validation results, applicable corrective action plans, and assurance statements to verify adequate oversight of the process. Further, we reviewed the results of work performed by an independent public accountant who examined the controls over the CPSC's federal shared service provider's financial management services used for processing customer agency transactions, as well as the suitability of the design and operating effectiveness of the provider's controls.

¹⁵ Files A, B, and C are linked through Treasury Account Symbols, and Files C and D1 are linked through the PIID. Files C and D2 are linked through the Financial Assistance Instrument Identifier.



Overall, we found the CPSC has data management policies, procedures, and internal controls in place to ensure that data are entered into its financial and procurement systems completely, accurately, and timely.

Prior Recommendations

We made two recommendations in our [FY 2017](#) report and no recommendations in our [FY 2019](#) report. As of December 21, 2017, all prior recommendations were fully implemented. We make no additional recommendations as a result of this audit.



APPENDIX A – Scope and Methodology

SCOPE The scope of the audit is financial and award data submitted for publication on USAspending.gov in the first quarter of FY 2021 and any applicable procedures, certifications, documentation, and controls utilized to implement the data standards. Fieldwork for this audit was performed from July 2021 to October 2021 at the CPSC headquarters in Bethesda, Maryland. Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or abuse in the program under review.

METHODOLOGY To accomplish the objectives, we:

- reviewed applicable laws and regulations
- interviewed the CPSC personnel responsible for program management and oversight to gain an understanding of the program
- reviewed internal controls, including CPSC directives and standard operating procedures
- reviewed prior audits to determine the status of recommendations
- randomly selected a statistically valid sample of certified spending data from the reported records included in the agency's certified data submission for File C

We conducted this audit in accordance with 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.

APPENDIX B – Internal Controls Table

The Government Accountability Office *Standards of Internal Control in the Federal Government*, is the primary criteria used for internal control testing purposes. These criteria are the standard that federal agencies must follow to maintain effective internal controls for both financial and non-financial programs. Internal control is a process used by management to help a program achieve its goals. There are five internal control components and 17 principles.

We assessed internal controls to satisfy the audit objectives. Our assessment included internal control components and principles of the *Standards for Internal Control in the Federal Government*. As part of the OIG report, all internal control principles and components that are determined to be significant to the audit objectives will be noted in the table below and included in the audit report along with whether the controls are effective.

Principle	Internal Control Components and Principles	Pass	Fail	Not Applicable or Not Significant to the Audit Objectives
Control Environment				
1	The oversight body and management should demonstrate a commitment to integrity and ethical values.	X		
2	The oversight body should oversee the entity's internal control system.	X		
3	Management should establish an organizational structure, assign responsibilities, and delegate authority to achieve the entity's objectives.	X		
4	Management should demonstrate a commitment to recruit, develop and retain competent individuals.			X
5	Management should evaluate performance and hold individuals accountable for their internal control responsibilities.			X
Risk Assessment				
6	Management should define objectives clearly to enable the identification of risks and define risk tolerances.	X		
7	Management should identify, analyze, and respond to risks related to achieving the defined objectives.	X		
8	Management should consider the potential for fraud when identifying, analyzing, and responding to risks.	X		
9	Management should identify, analyze, and respond to significant changes that could impact the internal control system.	X		
Control Activities				
10	Management should design control activities to achieve objectives and respond to risks.	X		
11	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.	X		
12	Management should implement control activities through policies.	X		
Information and Communication				
13	Management should use quality information to achieve the entity's objectives.	X		
14	Management should internally communicate the necessary quality information to achieve the entity's objectives.	X		
15	Management should externally communicate the necessary quality information to achieve the entity's objectives.	X		
Monitoring				
16	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.	X		
17	Management should remediate identified internal control deficiencies on a timely basis.	X		



APPENDIX C – Management Response

From: [Yaung, Michelle](#)
To: [Dentel, Christopher](#)
Cc: [Meier, Mary](#); [Gholson, Tamera](#); [Palermo, Tanya](#); [Boyle, Mary](#); [Ray, DeWane](#); [Baker, James](#); [McGuinness, Katherine](#); [Davis, Kelli](#); [Arora, Swati](#); [Pooorahab, Marijeb](#); [Mekheh, Eileen](#)
Subject: RE: DRAFT Audit of the CPSC's Compliance with the DATA Act
Date: Thursday, October 28, 2021 8:24:56 AM
Attachments: [image001.png](#)
[image003.png](#)

Chris,

Thank you for providing the draft report for review. We have no comments.

Regards,
Shelly

Shelly Covell Yaung
Special Assistant | Office of the Executive Director
O: 301.504.7112 | M: 240.429.7118 | myaung@cpsc.gov

From: CPSC-OIG
Sent: Thursday, October 21, 2021 5:09 PM
To: Boyle, Mary <MBoyle@cpsc.gov>
Cc: Yaung, Michelle <MYaung@cpsc.gov>
Subject: DRAFT Audit of the CPSC's Compliance with the DATA Act

Please find the subject draft report attached for Agency review.

Please contact our office with any questions.

CPSC, Office of Inspector General
Christopher W. Dentel, Inspector General
301-504-7905 MAIN
866-230-6229 HOTLINE
OIG.CPSC.GOV

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For more information on this report please contact us at CPSC-OIG@cpsc.gov

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OIG.CPSC.GOV or call (301) 504-7906

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