

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO OFFICE OF THE
CHIEF FINANCIAL OFFICER**



**THE DEPARTMENT NEEDS TO ENSURE
IT IS ON TRACK TO IMPLEMENT
DATA ACT REQUIREMENTS**

Date Issued: September 30, 2016
Report Number: 17-16-002-13-001

BRIEFLY...

SEPTEMBER 30, 2016

THE DEPARTMENT NEEDS TO ENSURE IT IS ON TRACK TO IMPLEMENT DATA ACT REQUIREMENTS

WHY OIG CONDUCTED THE REVIEW

The Digital Accountability and Transparency Act of 2014 (DATA Act) was passed to make federal spending data more accessible, searchable, and reliable. The DATA Act requires federal agencies to report financial and spending data in accordance with new government-wide data standards and make the data available on a public website by May 2017. The website is intended to increase transparency in federal spending by linking grant, contract, loan, and other financial data to program results. It is critical that the Department of Labor (Department) works toward meeting these new requirements so it will be able to provide accurate and reliable data needed to understand how it is spending taxpayer dollars.

WHAT OIG DID

We performed a review to determine the following:

Is the Department on track to implement DATA Act requirements by the May 2017 deadline?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2016/17-16-002-13-001.pdf>

WHAT OIG FOUND

The Department was unable to demonstrate that it is on track to effectively implement DATA Act requirements by the May 2017 deadline because of the following three issues:

- The Department could not demonstrate it had completed major milestones — performing an inventory of agency data and mapping agency data from agency source systems to the DATA Act schema.
- The Department did not accurately track the status of key tasks required for successful implementation.
- The Department did not implement a risk mitigation strategy because it did not identify any risks to successful implementation.

Although the Department believes it will meet the DATA Act reporting deadline and has begun testing the data it will report, based on the issues we noted, there is no reasonable assurance that the Department has, in fact, completed key tasks or effectively managed significant delays and challenges. A lack of proactive risk management could diminish the Department's ability to successfully meet the DATA Act requirements by the deadline.

WHAT OIG RECOMMENDED

We recommended the Principal Deputy Chief Financial Officer ensure all completed tasks are accurately reported and documented, the Implementation Plan submitted to OMB and the Project Plan are updated as necessary, risks are identified using a risk register, and mitigation strategies are developed and documented for each risk.

Agency officials generally agreed with our recommendations.

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U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



September 30, 2016

INSPECTOR GENERAL'S REPORT

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The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006. The DATA Act requires federal agencies to report by May 2017 financial and spending data in accordance with government-wide financial data standards established by the U.S. Department of the Treasury (Treasury) and the Office of Management and Budget (OMB). The data reported will be displayed on a searchable website available to taxpayers and policy makers. In addition, it requires each agency's Inspector General to audit the implementation process, use of data standards, and completeness, quality, and accuracy of a sample set of reported data.

The DATA Act requires Inspectors General to complete their first audit by November 2016; however, federal agencies are not required to report spending data until May 2017. As such, we performed a DATA Act readiness review to answer the following question:

Is the Department of Labor (Department) on track to implement the DATA Act requirements by the May 2017 deadline?

Our review covered the Department's Implementation Plan, which aligned with the agency 8-step implementation plan from the *DATA Act Implementation Playbook* (Playbook)¹ issued by Treasury. We assessed the status of the Department's implementation efforts as of August 2016.

RESULTS IN BRIEF

The Department was unable to demonstrate it is on track to effectively implement DATA Act requirements by the May 2017 deadline because of the following three issues:

¹ Treasury issued the *DATA Act Implementation Playbook Version 1.0* in June 2015, followed by *Version 2.0* in June 2016.

- The Department could not demonstrate it had completed major milestones — performing an inventory of agency data and mapping agency data from agency source systems to the DATA Act schema.²
- The Department did not accurately track the status of key tasks required for successful implementation.
- The Department did not implement a risk mitigation strategy because it did not identify any risks to successful implementation.

Although the Department believes it will meet the DATA Act reporting deadline and has begun testing the data it will report, based on the issues we noted, there is no reasonable assurance that key tasks are in fact complete or that significant delays and challenges are being managed effectively. Lack of proactive risk management, in particular, could diminish the Department’s ability to successfully meet the DATA Act requirements by the deadline.

BACKGROUND

Congress enacted the DATA Act on May 9, 2014, requiring federal agencies to report financial and spending data in accordance with data standards established by Treasury and OMB and to make the data available on a public website. The website increases transparency in federal spending by linking grant, contract, loan, and other financial data to program results. The DATA Act charged Treasury and OMB with leading agencies through implementation of its requirements. On August 31, 2015, OMB and Treasury, after consulting with federal and non-federal stakeholders, finalized the definitions of 57 standardized data elements (see Exhibit – Final 57 Data Elements). In addition, to assist agencies in the implementation process, OMB issued two memoranda and Treasury issued the Playbook. The Playbook suggests an 8-Step approach for agencies to use as a guide when implementing the DATA Act (see Table 1 – DATA Act Implementation Playbook: 8-Step Approach).

² The schema is a means of organizing information related to the data standards and for communicating or “exchanging” the information.

Table 1 – DATA Act Implementation Playbook: 8-Step Approach	
Step	Description
1. Organize Team	Create an agency DATA Act work group and identify a Senior Accountable Official
2. Review Elements	Review list of DATA Act elements and participate in data definitions standardization
3. Inventory Data	Perform inventory of agency data and associated business processes
4. Design and Strategize	Plan necessary changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture and link multi-level data
5. Prepare Data for Submission to the Broker ³	Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema) iteratively
6. Test Broker Implementation	Test Broker outputs to ensure data are valid iteratively
7. Update Systems	Implement other changes iteratively (e.g., establish linkages between program and financial data, capture any new data)
8. Submit Data	Update and refine process (repeat 5-7 as needed)

The Department created a DATA Act Working Group, headed by the Office of the Chief Financial Officer (OCFO), to be responsible for managing DATA Act implementation. In accordance with OMB requirements, the Working Group developed the Department’s DATA Act Implementation Plan, which included a Project Plan and Project Narrative.

The Project Narrative identified and summarized six major milestones for implementation. These six major milestones aligned with the 8-step approach outlined in the Playbook. The six major milestones are:

1. Conducting inventory and implementing new data elements;
2. Mapping agency data to the DATA Act schema;
3. Linking financial and management systems with a unique award ID;
4. Changing the information technology systems, including the associated interfaces between procurement and grant systems;
5. Providing test data to Treasury in the DATA Act schema format; and
6. Going live with DATA Act.

The Project Narrative also described the Department’s risk mitigation strategy and identified the following three financial management systems as being critical to DATA Act reporting:

- **New Core Financial Management System (NCFMS)** – the financial system and source for account level data

³ The broker collects agency data, validates the data against the DATA Act schema, and ultimately allows the agency to submit the data for publication.

- **Acquisition Management System (AMS)** – the contracting system and source for procurement data, which will be pushed into the Federal Procurement Data System (FPDS) before being extracted by the broker
- **eGrants** – the grant management system and source for grant data, which will be pushed into the Award Submission Portal (ASP) before being extracted by the broker

The Project Plan identified specific tasks required to accomplish each major milestone. The Working Group is using the Project Plan to track the start and completion dates for each task.

The DATA Act requires each agency’s Inspector General to audit the financial and spending data reported by the agency. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing issue with this requirement in that the first Inspector General reports are due to Congress in November 2016, but federal agencies are not required to report spending data until May 2017. To address this timing issue, Inspectors General plan to provide Congress with their first required DATA Act reports in November 2017, a one-year delay from the statutory due date. In addition, CIGIE encouraged Inspectors General to undertake DATA Act “Readiness Reviews” of their respective agencies well in advance of the first November 2017 report to assess the progress being made towards full compliance with the DATA Act. On December 22, 2015, CIGIE’s chair issued a letter memorializing the strategy for dealing with the Inspectors General reporting date issue and communicated it to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform.

RESULTS

The Department was unable to demonstrate it completed major milestones, did not accurately track the status of required tasks, and did not effectively implement its risk mitigation strategy. Completing major milestones, such as data inventory and mapping, ensures the Department will be able to report data that is relevant and accurate. Performing the data inventory — including verifying that data elements in the Department’s source systems match the standardized definitions required by the DATA Act — ensures the Department will be reporting relevant data. Performing data mapping ensures the data reported by the Department will be extracted from the proper source and follows appropriate transformation logic and business rules. Additionally, accurately tracking the status of tasks and effectively managing potential risks improves the Department’s ability to meet the DATA Act requirements by the deadline.

Although the Department believes it will meet the DATA Act reporting deadline, without adequate documentation to demonstrate it has completed key tasks, such as data inventory and mapping, and is effectively managing the project and risks, there is no reasonable assurance the Department will be able to report accurate data by the May 2017 deadline.

**THE DEPARTMENT WAS UNABLE TO
DEMONSTRATE IT IS ON TRACK TO IMPLEMENT
THE DATA ACT BY THE MAY 2017 DEADLINE**

The Department could not demonstrate it had completed the following major milestones: performing an inventory of agency data and mapping that data from agency source systems to the DATA Act schema. Additionally, the Department did not accurately track the status of key tasks in its only tracking tool — the Project Plan — that were required for successful implementation. Furthermore, the Department did not implement a risk mitigation strategy because it did not identify any risks to successful implementation. As a result, the Department could not demonstrate it has completed critical tasks or if it has an effective plan to meet the DATA Act requirements by the May 17, 2017, deadline.

**THE DEPARTMENT COULD NOT DEMONSTRATE IT HAD
COMPLETED MAJOR MILESTONES**

The Department did not provide documentation showing it had completed tasks critical to successful DATA Act implementation. In an updated Implementation Plan submitted to OMB in August 2016, the Department reported it had completed tasks aligned with two of its major milestones — performing an inventory of agency data and mapping that data from agency source systems to the DATA Act schema. The Department reported to OMB the specific work it had performed and documents prepared to accomplish the inventory and mapping tasks; however, the documentation and information provided did not offer sufficient assurance that these tasks were in fact completed.

AGENCY DATA INVENTORY NOT COMPLETE

The Department could not provide adequate documentation to demonstrate it successfully conducted a complete inventory of agency data, nor could it provide evidence that specific work it reported to OMB as completed was in fact completed.

The purpose of conducting a data inventory is to identify which agency source systems contain the 57 standardized DATA Act elements that need to be extracted and reported. This is necessary to ensure the Department is capturing all the required data and the definitions for the data being captured match those required by the DATA Act.

In its updated Implementation Plan, the Department reported to OMB it completed the data inventory using a template⁴ provided by Treasury. The Department also reported the following details:

Each system owner analyzed the existing data elements and compiled the

⁴ The Treasury template is a spreadsheet containing the following attributes for agencies to complete for each of the 57 DATA Act elements: Element in Agency Financial/Procurement/Grant/Loan System; Identify Business Gaps; Field Name; Field Type; Field Length; Derived Element – Y/N; Reporting Cadence; Are there scheduled system upgrades – Y/N; Does the data element match DATA Act element definition – Y/N.

template to include if the data element existed in the DOL system, data element characteristics, reporting frequency, source, and any business or system gaps related to the data element.

However, the Department's documentation did not provide sufficient assurance that it had conducted a complete data inventory because the documentation only showed if the data elements existed in the Department's systems. There was insufficient evidence the Department addressed the specific attributes it reported to OMB as being completed, such as data element characteristics, reporting frequency, and any business or system gaps. As such, the Department's documentation provided no assurance that the data elements in its source systems matched the standardized definitions required by the DATA Act.

The Senior Accountable Official (SAO) stated the Working Group only used the Treasury template to determine whether the 57 DATA Act elements were in the Department's source systems. The Department also provided documentation of additional data inventory efforts the Working Group conducted in 2016; however, this documentation also did not address the specific attributes (i.e. data element characteristics) the Department had reported to OMB as being completed.

Because the Department did not conduct a formal data inventory with adequate supporting documentation or accurately report its data inventory activities to OMB, there is no assurance the Department properly completed its data inventory and will be able to report relevant data.

DATA MAPPING FROM AGENCY SOURCE SYSTEMS TO DATA ACT SCHEMA NOT FULLY DOCUMENTED

The Department could not provide adequate documentation to demonstrate it successfully mapped agency data to the DATA Act schema, nor could it provide evidence that specific work it reported to OMB as completed was in fact completed.

Data mapping ensures an agency has identified and linked all 57 required data elements in its source systems. Data mapping is necessary so an agency can successfully extract data in the required DATA Act format. Specifically, data mapping ensures the Department is able to extract the required data from its financial system to send to the broker and provide the required data from its procurement and grant systems to FPDS and ASP for the broker to extract the data.

According to the updated Implementation Plan the Department submitted to OMB (and subsequent information provided to us by the SAO), the Department has completed data mapping for procurement and financial data and will begin mapping for grant data in November 2016. The Department reported to OMB that it followed OMB and Treasury guidelines to map its data to the required DATA Act schema, stating that it completed the following specific tasks:

- Map the source data to the DATA Act transport schema.

- Document the data hierarchies required by the DATA Act.
- Document the data hierarchies from the DOL source systems.
- Document the transformation logic and business rules between the two structures.
- Document business processes impacting the data extraction.
- Document the mapping gaps.
- Develop the IT system and business solution architecture.
- Document decision points.
- Collaborate with stakeholders to gain consensus on decisions.

The documentation and information provided by the Department did not demonstrate that data mapping, including the specific tasks it reported to OMB, was completed. For example, there was no documentation of transformation logic or business rules and processes. In addition, the Department did not map all of the required data elements and in some cases did not map elements to the source data. As a result, there is no assurance the data the Department reports will be extracted from the proper source or follow appropriate transformation logic and business rules.

For the Department's procurement data, the Working Group stated it revised the Activity Address Codes and mapped the Funding Office Code to the Department's accounting line and the Contracting Office Code to the previous Contracting Office Codes in FPDS. The SAO also provided a procedure memo for generating Activity Address Codes in AMS that will automatically populate FPDS with Awarding and Funding Office Codes. However, the Department provided no documentation to demonstrate how the other procurement data elements were mapped.

For the financial system data, the Department provided supplemental data inventory documentation showing some data elements traced to specific General Ledger accounts and others traced to lines from the Department's "Report on Budget Execution and Budgetary Resources." Tracing to lines on this budget report does not demonstrate mapping to the specific General Ledger source data.

For the grant data, the Working Group stated a contractor conducted the mapping, but could not provide evidence the mapping had in fact occurred. The Working Group subsequently informed us it had to wait for clarification from Treasury on three data elements (Type of Transaction Code, Non-Federal Fund, and Business Type) to complete the mapping. Treasury recently provided this clarification, and the SAO stated mapping for the grant data will begin in November 2016.

According to the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (Green Book), "Documentation is a necessary part of an effective internal control system." The Green Book goes on to list documentation as a key control activity, stating:

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be

readily available for examination.... Documentation and records are properly managed and maintained.

The Department was unable to demonstrate it had completed tasks because it did not establish a control process to ensure the Working Group sufficiently documented accomplished tasks or supported deviations from the Project Plan. For example, the Working Group should have recorded the reason for deciding not to complete the data inventory template and developed an alternative form of supporting documentation. Without appropriate documentation, the Department lacks assurance that critical tasks such as data inventory and data mapping have been successfully completed.

THE DEPARTMENT DID NOT ACCURATELY TRACK THE PROGRESS OF KEY TASKS

The Department did not accurately track the status of key tasks on its Project Plan — the Department’s only project tracking tool — although this is what the Working Group claimed it used to monitor the Department’s progress in implementing the DATA Act. Because the Project Plan did not accurately reflect completion dates or task statuses, in its present state, the Project Plan cannot serve as an effective tool for tracking the Department’s implementation efforts.

The Project Plan showed the data inventory was 100 percent complete in 2015; however, in July 2016, the SAO stated the data inventory was not complete. The SAO explained the status on the Project Plan was not an indicator of a completed inventory; rather, it referred only to those data elements and attributes the Working Group was able to complete as of July 2015.

The Project Plan also indicated mapping agency data to the DATA Act schema, including grant data, was completed in March 2016. However, the SAO informed us the Department would not begin the data mapping process for grant data until November 2016.

Furthermore, the Project Plan did not contain a task for mapping the financial system data. The SAO stated financial system data mapping was completed during the data inventory and the creation of the test file, and agreed the task should have been included in the Project Plan.

Finally, while the Project Plan identified specific tasks for developing Functional Requirements Documents for implementing additional DATA Act elements in eGrants, AMS, and NCFMS, the SAO stated the Functional Requirements Documents for eGrants and AMS were not developed because Treasury’s data broker will extract the procurement and grant data. The SAO also stated Functional Requirements Documents for NCFMS were not required or developed because no new data elements were needed. Despite the SAO’s assertion that these tasks were not required, the Project Plan showed these tasks were 99 to 100 percent complete, with an investment of at least 10 months of time completing these tasks. Subsequently, the SAO stated a Functional Requirements Document would be developed for extracting the required

data elements from NCFMS by February 2017, but the Department did not update the Project Plan to include this key task.

The Project Management Body of Knowledge (PMBOK)⁵ states the key benefit of monitoring and controlling project work is that it allows stakeholders to understand the current state of the project; the steps taken; and the budget, schedule, and scope forecasts. Stakeholders realize these benefits through the process of tracking, reviewing, and reporting the progress to meet performance objectives defined in a project management plan.

The Department described program management oversight in its DATA Act Implementation Plan, as follows:

The DOL DATA Act Working Group will provide program management oversight to the internal and external parties executing tasks related to DATA Act compliance. The working group will monitor the baselined project plan established to ensure that tasks are performed on time.

The Project Plan contained inaccuracies — such as the status and completion dates for the Department’s data inventory and mapping of grant data, as discussed above — because the Department did not adhere to the program management oversight process described in its Implementation Plan or establish an effective compensating monitoring process.

Accurately monitoring tasks is critical to ensure delays are identified and challenges are addressed. The Project Plan is the Department’s only monitoring tool for implementing the DATA Act; therefore, it is crucial the Department ensures the Project Plan is updated and accurate to provide the SAO and the Working Group with the information they need to make appropriate decisions and ensure the project is on track to meet the DATA Act’s deadline.

THE DEPARTMENT DID NOT HAVE AN EFFECTIVE RISK MITIGATION STRATEGY

While the Department had developed a risk mitigation strategy to identify, address, and monitor risks to DATA Act implementation, it did not utilize that strategy. Risk management is an integral part of effective internal control, and the Department must be able to identify any and all risks related to implementing the DATA Act in order to mitigate them. Without an effective risk management strategy, the Department cannot provide reasonable assurance that it will meet the completion dates it established in its Project Plan and successfully implement the DATA Act requirements.

The Department’s Implementation Plan states:

⁵ The PMBOK contains the globally recognized standard and guide for the project management profession. It identifies project management best practices.

The DOL DATA Act Working Group will maintain a risk register of all risks identified throughout the project. The risks identified will be categorized as low, medium and high with documented mitigation strategies, responsible party and status. The risk register will be maintained and monitored on a regular basis and discussed as part of the DOL DATA Act Working Group meetings.

The Department has not developed a risk register as described in its Implementation Plan. The SAO stated the risk register was not necessary because the Working Group did not identify any risks, but the Department did not document any analysis to support this conclusion. The SAO also stated the Department differentiated between risks and challenges. The Department defined risks as issues that would delay DATA Act implementation, and defined challenges as issues that may require adjustments to task completion dates and procedures, but would not ultimately cause any delay to implementation.

However, we identified several issues that may present significant risks to the Department's ability to meet DATA Act requirements, including some the Department identified as challenges. In its response to an April 6, 2016, inquiry from Senator Mark Warner, the Department identified two challenges related to DATA Act implementation: 1) planning challenges presented by the fluid release of DATA Act guidance, and 2) the immediate deadlines connected with implementing the financial requirements of a major new statute, the Workforce Innovation and Opportunity Act (WIOA).

These challenges actually constitute risks to the Department's ability to meet Project Plan deadlines and DATA Act requirements. The fluid release of DATA Act guidance has already delayed completion of the Department's data mapping process. Data mapping, which was to be completed by March 2016, is not complete because the Department had to await clarification from Treasury on three data elements (Type of Transaction Code, Non-Federal Fund, and Business Type). Treasury recently provided this clarification, and the SAO stated the Department is now working to complete mapping. However, the Department did not update the Project Plan to indicate when this task will be completed. A significant delay in a critical process, such as data mapping, poses a risk to the Department's timely implementation of the DATA Act.

Additionally, time and resource limitations imposed by the Department's responsibility to carry out WIOA requirements could impact the Department's implementation efforts. The Department prioritized the WIOA implementation over DATA Act implementation. The SAO stated he could understand how prioritizing WIOA requirements could be considered a risk, but the Department opted to identify the issue as a "challenge" because it did not believe the issue would impact its ability to implement the DATA Act on time. However, we note the WIOA prioritization has already impacted DATA Act tasks. For example, implementation of new data elements for eGrants was to be completed in June 2016. Because the required resources were devoted to accomplishing WIOA requirements, this task will not even start until November 2016, a 5-month delay. Challenges such as those brought about by the WIOA prioritization

should be formally identified as a risk, planned for, and mitigated to ensure they do not negatively impact timely implementation of the DATA Act.

The delay the Department is experiencing in performing several key tasks also represents a risk to successful DATA Act implementation. The Department is currently behind schedule in several tasks, including the “Execute Broker”⁶ and “Test Broker Implementation” tasks. The Department recently started the “Execute Broker” task, which was originally targeted for completion in February 2016. The Department also planned to begin the “Test Broker” task in September 2015 and complete testing in February 2016. However, the Department pushed back the dates and now plans to complete this task in February 2017, a full year later than initially projected and only three months prior to the May 2017 deadline. This will leave limited time for the Department to address any issues identified during testing. According to the SAO, the Department was ready to test the broker earlier but Treasury directed the Department to delay testing because it was updating the broker platform and requirements. The Department should have identified these significant delays as risks, assessed the impact of these delays on its Project Plan, and developed a strategy to mitigate the impact of these delays. Since the Department is behind schedule in accomplishing several important tasks, effective risk management is imperative.

The Department has not followed the risk strategy it identified in its Implementation Plan or established a process to identify risks and assess their impact. The Green Book states management should assess risks as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

Due to the challenges the Department identified and the delays it has experienced, the Department has encountered risks throughout the DATA Act implementation process. Without effectively identifying and managing risks, the Department cannot ensure it has appropriate mitigation strategies in place to minimize their impact. Lack of proactive risk management could place the Department’s effort to implement the DATA Act in jeopardy.

OIG RECOMMENDATIONS

We recommend the Principal Deputy Chief Financial Officer ensure that:

1. All tasks reported complete are accurately reported and documented.
2. The Implementation Plan submitted to OMB is updated as necessary to reflect actual work completed.
3. The Project Plan is updated as necessary and accurately maintained.

⁶ According to the Project Plan, the Execute Broker task consists of developing system changes and extracting data.

4. Risks are identified using a risk register.
5. Mitigation strategies are developed and documented for each risk.

MANAGEMENT RESPONSE

The Principal Deputy Chief Financial Officer stated Department believes it is on track to successfully implement the DATA Act requirements. However, the Principal Deputy Chief Financial Officer also recognized there are areas in which improvements can be made to make internal processes are more transparent. As a result, the Department has considered the OIG’s recommendations and prepared an updated project plan and created a risk register with mitigation strategies.

The Principal Deputy Chief Financial Officer stated all tasks reported as complete were accurately reported and documented and the updated Implementation Plan submitted to OMB reflects actual work completed. We disagree with respect to the data inventory and mapping tasks. In its most recent implementation plan submitted to OMB in August 2016, the Department reported specific work performed and documents prepared to accomplish these two tasks; however, it could not provide documentation to show the inventory and mapping tasks were completed as reported. For example, the Department did not provide documentation showing it identified data element characteristics when it conducted the data inventory. In addition, the documentation the Department provided in support of the data mapping task indicated it did not always map data elements to the proper source data. Furthermore, the updated implementation plan submitted to OMB stated the Department used the template to compile the inventory and did not indicate that the Department used the DATA Act schema files Treasury issued in 2016 in lieu of the outdated template. As a result, we have no assurance that the Department properly completed the inventory and mapping tasks as reported to OMB.

The Principal Deputy Chief Financial Officer stated the OIG used an out-of-date data inventory template to evaluate the Department’s readiness. However, there was no revised data inventory template issued and the template was not the only basis for our conclusions. In our report, we acknowledged the Department only used the template to determine whether the 57 DATA act elements were in the Department’s source systems. We also reviewed documentation supporting the Department’s additional data inventory efforts conducted in 2016; however, this documentation did not address the specific attributes (i.e., data element characteristics) from the template that the Department had reported to OMB as being completed. As such, we have no assurance the Department completed its data inventory properly and will be able to report relevant data.

Finally, we did not recommend, nor are we suggesting, the Department complete the data inventory using obsolete information. We are recommending the Department fully

address the specific attributes it reported to OMB as being completed to ensure the data it reports will be relevant and match the DATA Act definitions.

Management's response to our draft report is included in its entirety in Appendix B.

We appreciate the cooperation and courtesies OCFO personnel extended to the Office of Inspector General during this audit. OIG personnel who made major contributions to this report are listed in Appendix C.



Elliot P. Lewis
Assistant Inspector General
for Audit

Exhibit

Final 57 Government-wide Data Elements

1	Appropriations Account	30	Record Type
2	Budget Authority Appropriated	31	Amount of Award
3	Object Class	32	Current Total Value of Award
4	Obligation	33	Federal Action Obligation
5	Other Budgetary Resources	34	Non-Federal Funding Amount
6	Outlay	35	Potential Total Value of Award
7	Program Activity	36	Awardee/Recipient Legal Entity Name
8	Treasury Account Symbol (excluding sub-account)	37	Awardee/Recipient Unique Identifier
9	Unobligated Balance	38	Highly Compensated Officer Name
10	Action Date	39	Highly Compensated Officer Total Compensation
11	Action Type	40	Legal Entity Address
12	Award Description	41	Legal Entity Congressional District
13	Award Identification (ID) Number	42	Legal Entity Country Code
14	Award Modification/Amendment Number	43	Legal Entity Country Name
15	Award Type	44	Ultimate Parent Legal Entity Name
16	Business Types	45	Ultimate Parent Unique Identifier
17	Catalog of Federal Domestic Assistance Number	46	Awarding Agency Code
18	Catalog of Federal Domestic Assistance Title	47	Awarding Agency Name
19	North American Industrial Classification System Code	48	Awarding Office Code
20	North American Industrial Classification System Description	49	Awarding Office Name
21	Ordering Period End Date	50	Awarding Sub Tier Agency Code
22	Parent Award Identification Number	51	Awarding Sub Tier Agency Name
23	Period of Performance Current End Date	52	Funding Agency Code
24	Period of Performance Potential End Date	53	Funding Agency Name
25	Period of Performance Start Date	54	Funding Office Code
26	Primary Place of Performance Address	55	Funding Office Name
27	Primary Place of Performance Congressional District	56	Funding Sub Tier Agency Code
28	Primary Place of Performance Country Code	57	Funding Sub Tier Agency Name
29	Primary Place of Performance Country Name		

Appendices

APPENDIX A

**OBJECTIVE, SCOPE, METHODOLOGY, AND
CRITERIA**

OBJECTIVE

Is the Department of Labor on track to implement the DATA Act requirements by the May 2017 deadline?

SCOPE

The review covered the Department's Implementation Plan, which aligned with the agency 8-step implementation plan from the Playbook issued by Treasury. We assessed the status of the Department's implementation efforts as of August 2016.

We conducted fieldwork at the Frances Perkins Building in Washington, DC.

We conducted this review in accordance with *Quality Standards for Inspection and Evaluation* issued by CIGIE. Those standards require that we possess adequate professional competency, adequately plan our work, and obtain sufficient, competent and relevant evidence to sustain the findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objective.

METHODOLOGY

To assess the Department's progress in implementing the DATA Act, we interviewed the SAO and Working Group, reviewed documentation they provided, compared the Department's Implementation Plan to the Treasury-issued Playbook and other guidance, and reviewed the Department's Project Plan.

CRITERIA

- Digital Accountability and Transparency Act of 2014, May 9, 2014
- DATA Act Implementation Playbook, Version 1.0, June 2015
- OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, May 8, 2015
- OMB Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data Centric Approach for Reporting Federal Spending Information*, May 3, 2016

- *A Guide to the Project Management Body of Knowledge (PMBOK Guide)*, Fifth Edition (Newtown Square: Project Management Institute, Inc., 2013)
- GAO-14-704G, *Standards for Internal Control in the Federal Government* (Green Book), published September 10, 2014

OCFO'S RESPONSE

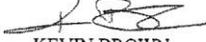
U.S. Department of Labor

Office of the Chief Financial Officer
Washington, D.C. 20210



SEP 28 2016

MEMORANDUM FOR ELLIOT P. LEWIS
Associate Inspector General for Audit

FROM: 
KEVIN BROWN
Deputy Chief Financial Officer for Fiscal Integrity

THRU: 
GEOFFREY KENYON
Acting Principal Deputy Chief Financial Officer

SUBJECT: Response to Review of Department's Digital Accountability and
Transparency Act Readiness, Report No. 17-16-002-13-001

The purpose of this memorandum is to provide a response to the Office of the Inspector General (OIG) Report No. 17-16-002-13-001.

The attached serves as the official written response addressing the OIG's draft report findings and recommendations related to the Department's Digital Accountability and Transparency Act Readiness. Also attached you will find the Department's updated project plan and risk register.

Please let me know if you have any additional questions.

Attachments

WHAT OIG FOUND

The Department was unable to demonstrate that it is on track to effectively implement the DATA Act requirements by the May 2017 deadline because of the following three issues:

- The Department could not demonstrate that it had completed major milestones — performing an inventory of agency data or mapping agency data from agency source systems to the DATA Act schema.
- The Department did not accurately track the status of key tasks required for successful implementation.
- The Department did not implement a risk mitigation strategy because it did not identify any risks to successful implementation.

Although the Department believes it will meet the DATA Act reporting deadline and has begun testing the data it will report, based on the issues we noted, there is no reasonable assurance that key tasks are in fact complete or that significant delays and challenges are being managed effectively. Lack of proactive risk management could diminish the Department's ability to successfully meet the DATA Act requirements by the May 2017 deadline.

WHAT OIG RECOMMENDED

We recommended the Principal Deputy Chief Financial Officer ensure that: (1) all tasks reported complete are accurately reported and documented; (2) the Implementation Plan submitted to OMB is updated as necessary to reflect actual work completed; (3) the Project Plan is updated as necessary and accurately maintained; (4) risks are identified using a risk register; and (5) mitigation strategies are developed and documented for each risk.

OCFO RESPONSE

The Department disagrees with the OIG findings. The Department demonstrated that it completed major milestones – performing an inventory of agency data and mapping of agency data from the source systems. The OIG elected to use an out-of-date inventory data template to evaluate the Department's readiness. During 2016, Treasury issued the DATA Act Information Model Schema (DAIMS) version 1.0 which is the most recent guidance available to agencies to use when performing the data inventory. The DAIMS included updates made to data elements since the issuance of the data inventory template issued in 2015. As a result, the Department used the most recent information available to complete the inventory rather than going back and using obsolete information as recommended by the OIG.

The Department has six major milestones as it relates to complying with the DATA Act, (1) Conducting inventory and implementing new data elements; (2) Mapping agency data to the DATA Act schema; (3) Linking financial and management systems with a unique award ID; (4) Changing the information technology systems, including the associated interfaces between procurement and grant systems; (5). Providing test data to Treasury in the DATA Act schema format; and (6) Going live with DATA Act. The Department has completed milestones 1-5 related to the financial and procurement systems. We have started testing the financial files with the broker and are on schedule to adhere to our quarterly projected testing schedule. The procurement data has been

updated and tested within the Procurement system. As for the grant system, the first milestone has been completed. The remaining milestones are planned to begin once Workforce Innovation and Opportunity Act (WIOA) efforts have been completed in the fall of 2016. Supporting documentation for all completed milestones has been provided to the OIG.

As it relates to “tracking the status of key tasks required for successful implementation”, the Department believes that it successfully tracks key tasks. Treasury/Office of Management and Budget created a playbook identifying an 8-step approach (key tasks) to implementation; (1) Organize team, (2) Review elements, (3) Inventory data, (4) Design and strategize, (5) Prepare data for submission to the broker, (6) Test broker implementation, (7) Update systems and (8) Submit data. The Department has completed steps 1-6 for the financial and procurement data and as a result of our testing, we are updating our system to prep for data submission. The Department has completed work through step 3 for grant data and will continue implementation once WIOA work has been completed.

Although the Department strongly believes we are on track to successfully implement the DATA Act requirements, we do recognize that there are areas in which improvements can be made where internal processes are more transparent. As a result, the Department has taken the OIG’s recommendations into consideration and prepared an updated project plan and created a risk register with mitigation strategies. We believe that all tasks reported as complete are accurately reported and documented and the updated Implementation Plan submitted to OMB reflects actual work completed.

The DATA Act requires that we submit files to the broker and submit data to USASpending and FDPS-NG in the required format. As a result of prior decisions and efforts, the Department finds itself in a much better position to implement the DATA Act than many other Federal agencies since we have a singular financial, procurement and grant system across the Department. Therefore the Department only has to address these three systems rather than multiple financial, grant and procurement systems across the agencies/offices. The Department believes that we are on track to meet the DATA Act implementation requirements by April 30, 2017.

APPENDIX C

ACKNOWLEDGEMENTS

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