


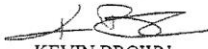
OCFO'S RESPONSE


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.