

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor

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



MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General for Audit

FROM: JAMES WILLIAMS 
Chief Financial Officer

SUBJECT: Draft Report Number: 03-20-001-13-001: "DATA Act: DOL's
Reported Data Generally Met Quality Standards but Accuracy
Issues Remain"

Please find the attached management's response to Draft Report No. 03-20-001-13-001, "DATA Act: DOL's Reported Data Generally Met Quality Standards but Accuracy Issues Remain".

We appreciate the opportunity to provide input and look forward to continued collaboration with the OIG audit team.

Please contact me if you have any questions.

Attachment

cc: Kevin Brown, Senior Accountable Official – DATA Act
Bryan Slater, Assistant Secretary for Administration and Management
Carl Campbell, Chief Procurement Officer
Jennifer DiGiantommaso, Director of Financial Reporting
Laura Watson, Administrator, Office of Grants Management

Management Response to OIG Draft Report No. 03-20-001-13-001

The Department of Labor (DOL or Department) appreciates the Office of the Inspector General's (OIG) acknowledgement that the accuracy and quality of DOL's reported data vastly improved since 2017. The Department values the role of the OIG in identifying areas for improvement in our DATA Act reporting. The Department remains committed to continued improvement in reporting accurate and reliable spending data to ensure that the public understands how DOL spends its funds.

OIG Recommendation No. 1

1. Review the errors identified by our audit and, where appropriate, correct the errors in DOL's source systems and develop corrective action plans to address the underlying causes for data elements with significant errors.

Relating to Object Class Code (OCC) and Program Activity Code (PAC) errors that were identified during the audit, the Department believes that the extent of work required to correct these issues are not of benefit to the American taxpayers due to the level of effort involved in doing so for FY14-FY16. As for 2017 and beyond, we have put measures in place to ensure all new documents have accurate information. Old documents (prior to FY 2017) will continue to be reported with existing codes. With regard to the default OCC that is new for FY 2019, the Department is taking the same position in that documents posted prior to FY 2019 created using the default OCC will continue to be reported as such. Any document created in FY 2019 or later are to be created with current and valid OCC and we have added this to the measures noted above.

In regard to the Unique Record Identifiers (URI), the Department created a working group that included the Service Provider (SP) to research a process to report URIs in File C for transactions that do not have a unique combination of Federal Assistance Identification Number (FAIN) and modification number. The working group has completed the initial requirements for system modifications to both the Grant feeder system and the New Core Financial System (NCFMS) necessary to meet Data Act URI reporting requirements. The Office of the Chief Financial Officer (OCFO) is in the initial stages of finalizing the development schedule with stakeholders.

The Office of the Assistant Secretary for Administration and Management will develop a corrective action plan that includes an approach focused on training contracting officers and contract specialists on these findings to prevent future errors on data elements within the DOL Contract Writing System and the Federal Procurement Data System-Next Generation (FPDS-NG). Moreover, the corrective action plan will also include OASAM consulting with its FPDS-NG Quality Assurance contractor (Potomac Wave) to continue to conduct data validation and verification services and request that FPDS-NG records be specifically targeted for data elements with significant error rates.

The Department will make changes in its source systems to address the exceptions identified by the OIG in its audit to the extent feasible. However, there will be instances where corrections will not be feasible, such as the OCC and PAC codes discussed above, as well as instances where the impacted grants and contracts have already been closed.

OIG Recommendation No. 2

2. Issue guidance to ensure Contract Specialists accurately input the Period of Performance Start Date into the procurement system's Effective Date field.

As stated in response to Recommendation No. 1, the implementation of training and enhancements to validation and verification services, will address data elements with significant error rates. This will highlight already established guidelines within the Federal Acquisition Regulation to ensure consistent and accurate reporting of the Period of Performance Start Date for contract actions.

In regards to the Period of Performance (POP) Start Date, it is important to note that modifications are executed to make a change or multiple changes within a contract action. When executing a modification to change the POP, it is required to explicitly cite this change within the modification language, the OIG sampling did not include an exception based on a POP change. Further, 20 out of the 25 modifications in the sampling are correctly recorded and were for incremental funding or exercising the option of the contract actions, these changes do not require editing the POP.

OIG Recommendation No. 3

3. Identify risks specific to DATA Act reporting and take appropriate action to ensure internal controls address the resulting areas of concern.

The Department considered the DATA Act requirements, previous audit results, and internal standard operating procedures (SOP) to assess the risks related to the reporting and implementation of the DATA Act. Internal controls and process improvements have been implemented in response to these risks. The various agencies within the Department detailed these internal controls and process improvements to the OIG audit team through process walkthroughs and sharing of procedural documentation. DOL will continue to monitor and ensure internal controls are in place to address areas of concern.