



**DEFENSE NUCLEAR FACILITIES
SAFETY BOARD**

WASHINGTON, D.C. 20004-2901

OFFICE OF THE
INSPECTOR GENERAL

November 30, 2016

MEMORANDUM TO: Mark T. Welch
General Manager

Katherine R. Herrera
Deputy General Manager

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT
OF 2014 READINESS ASSESSMENT FOR THE DEFENSE
NUCLEAR FACILITIES SAFETY BOARD (DNFSB-17-A-03)

The Office of the Inspector General (OIG) retained Miracle Systems LLC (Miracle Systems) to perform this readiness assessment to determine if Defense Nuclear Facilities Safety Board (DNFSB) is on track to implement Digital Accountability And Transparency Act of 2014 (DATA Act) requirements by the May 2017 deadline. This readiness assessment concentrated on steps 1 through 4 of the Agency 8-Step Plan as described in Department of the Treasury's *DATA Act Implementation Playbook, Version 2.0*. Miracle Systems determined that DNFSB, through its financial services provider, the United States Department of the Agriculture (USDA), is on track to implement DATA Act requirements by the May 2017 deadline. Therefore, OIG makes no recommendations.

If you have any questions, please contact me at (301) 415-5915 or Eric Rivera, Team Leader, at (301) 415-7032.

cc: R. Howard, OGM

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 the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB). The data reported will be displayed on a Web site available to taxpayers and policy makers.

In addition, the DATA Act requires that agency Inspectors General (IGs) review statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, timeliness, quality, and accuracy of the data sampled and the use of the data standards by the agency. The DATA Act provides for this oversight by requiring a series of oversight reports from agency IGs and the Comptroller General of the United States providing their assessment of the completeness, timeliness, quality, and accuracy of data submitted.

The first set of these required IG reports are due to Congress in November 2016. However, agencies are not required to submit spending data in compliance with the act until May 2017. As a result, the IGs will not be able to report on the spending data submitted under the act, as this data will not exist until the following year. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) developed an approach to address this reporting date anomaly while maintaining early engagement with the agencies. IGs will provide Congress with their first required reports in November 2017, a 1-year delay from the statutory due date, with subsequent reports following on a 2-year cycle. However, IGs are completing DATA “Readiness Reviews” in advance of the first November 2017 report.

The IG community, through the Federal Audit Executive Council (FAEC), formed the FAEC Data Act Working Group which issued the *DATA Act Readiness Review Guide* in June 2016. That guide concentrated on steps 1 through 4 of the Agency 8-Step Plan as described in the *DATA Act*

Implementation Playbook, Version 2.0. Attachment 1 lists all 8 steps. OIG retained Miracle Systems to perform this readiness review.

OBJECTIVE

The objective of the readiness assessment is to determine if DNFSB is on track to implement DATA Act requirements by the May 2017 deadline.

RESULTS

The results are organized in accordance with steps 1 through 4 of the *Data Act Implementation Playbook*.

1. Organize Team - Create an agency DATA Act work group including impacted communities within your agency and designate a Senior Accountable Official (SAO).

Result – Miracle Systems determined DNFSB has created a DATA Act work group including impacted communities within the agency and a representative from the USDA as their financial service provider. Miracle Systems also determined that there is a DATA Act work group associated with USDA's compliance efforts. DNFSB has designated two SAOs.

2. Review Elements - Review the list of DATA Act elements and participate in data definitions standardization.

Result – Miracle Systems verified that DNFSB has implemented the 57 data elements set forth by Treasury and standardized the data definitions within the application requiring DATA Act compliance: Pegasys, the financial management system. USDA hosts the system and addresses any compliance efforts for Pegasys.

3. Inventory Data - Perform an inventory of agency data and associated business processes and systems.

Result – Miracle Systems determined DNFSB has identified Pegasys as the only application requiring DATA Act compliance.

4. Design & Strategize - Plan changes to systems and business processes to capture financial, procurement, and financial assistance data, and develop a comprehensive implementation plan that includes solutions for addressing gaps in agency data.

Result – Miracle Systems found that DNFSB, through USDA, has an adequate plan to address any gaps related to DNFSB's compliance with the DATA Act. DNFSB informed reviewers that they do not process any financial assistance actions. Miracle Systems tested this assertion and verified that USASpending.gov contained no financial assistance data or grant data for DNFSB.

DNFSB, via USDA, supplied procurement data which Miracle Systems compared to reports extracted from USASpending.gov and the Federal Procurement Data System. Miracle Systems verified that the amounts matched.

USDA provided additional documentation of having adequate internal control of systems and processes in place to reliably and accurately report financial data for extraction by Treasury for display on USASpending.gov. Miracle performed an analysis of USASpending.gov data to determine if financial data provided to USDA by DNFSB accurately reflected source data. Miracle verified that DNFSB's data files matched those of USASpending.gov.

However, Miracle Systems suggested that USDA hold monthly meetings with DNFSB on DATA Act related topics. These meetings should include informing DNFSB of any issues related to upcoming DATA Act actions for Pegasys, and risk mitigation strategies for any issues associated with meeting DATA Act milestones. The SAOs of both USDA and DNFSB agreed with and have implemented this suggestion.

CONCLUSION

Upon completion of the test work for steps 1 through 4, Miracle Systems concludes that DNFSB, through USDA, demonstrated readiness to meet the requirements set forth in the DATA Act.

AGENCY COMMENTS

Agency management reviewed a discussion draft of this report. As a result, agency management stated their general agreement with the results and conclusions and chose not to provide any formal comments on this report.

SCOPE AND METHODOLOGY

The readiness assessment compared DNFSB's actions and steps taken to the requirements of steps 1 through 4 of the *DATA Act Implementation Playbook Version 2.0*. These steps are (Attachment 1):

1. Organize Team
2. Review Elements
3. Inventory Data
4. Design & Strategize

Miracle Systems conducted this DATA Act readiness assessment during October 2016 at DNFSB headquarters in Washington, DC. Our oversight of Miracle System's work on this attestation review, as differentiated from an audit in conformance with Government Auditing Standards, was not intended to enable us to express, and accordingly we do not express, an opinion on this DATA Act readiness assessment. However, OIG's oversight of Miracle System's work disclosed no instances where Miracle Systems did not comply with applicable standards.

To accomplish the objectives of the review, Miracle Systems conducted an assessment to

- Obtain an understanding of the laws, legislation, directives, and any other regulatory criteria (and guidance) related to DNFSB's responsibilities to report financial, procurement, and payment information under the DATA Act.
- Obtain an understanding of DNFSB's governance structure, processes, and controls planned and/or established by conducting interviews with DNFSB's DATA Act work group responsible for the implementation of the DATA Act at the agency-level, to include the SAOs.
- Identify the major reporting components within the agency responsible for implementation of the DATA Act.
- Assess DNFSB's efforts and formal implementation plans to report financial, procurement, and payment information under the DATA Act.

Attachment 1:**8-Step DATA Act Implementation Plan Methodology for Federal Agencies**

Steps for Agencies
<p>1) Organize team <i>Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Official</i></p>
<p>2) Review elements <i>Review list of DATA Act elements and participate in data definitions standardization</i></p>
<p>3) Inventory data <i>Perform inventory of agency data and associated business processes</i></p>
<p>4) Design & strategize <i>Plan changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture data that are complete multi-level (e.g., Summary and award detail) fully-linked data</i></p>
<p>5) Prepare Data for Submission to the Broker^① <i>Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act Schema) iteratively</i></p>
<p>6) Test Broker implementation <i>Test Broker outputs to ensure data are valid iteratively</i></p>
<p>7) Update systems <i>Implement other changes iteratively (e.g., establish linkages between program and financial data, capture any new data)</i></p>
<p>8) Submit data <i>Update and refine process (repeat 5-7 as needed)</i></p>

Source: DATA Act Implementation Playbook, Version 2.0.

① The DATA Act Broker is a software layer that compiles agency data, validates the agency data schema against the DATA Act Schema, and prepares agency data for publication. Agencies compare Broker outputs to the DATA Act Schema to ensure the

- Completeness and accuracy of data elements the agency plans to submit to Treasury;
- Linkages between financial and award data; and,
- Mapping to DATA Act Schema and whether data passes basic validations within the Schema.

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).