

GAO Highlights

Highlights of [GAO-16-556T](#), a testimony before the Subcommittees on Government Operations and Information Technology, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The DATA Act requires OMB and Treasury to establish government-wide data standards and requires federal agencies to begin reporting financial and payment data in accordance with these standards by May 2017. The act also requires OMB to establish a pilot program to develop recommendations for simplifying federal award reporting for grants and contracts. GAO has an ongoing body of work examining implementation of different aspects of the DATA Act.

This statement focuses on the following questions: (1) What efforts have been made to develop government-wide standards and associated technical guidance? (2) What implementation challenges and mitigation strategies have been reported by agencies? (3) How effective is OMB's design of the Section 5 Pilot to reduce recipient reporting burden? The statement also provides an update on OMB's and Treasury's efforts to address GAO's DATA Act recommendations.

This statement is primarily based on two GAO reports issued in 2016, as well as ongoing work examining agency DATA Act implementation plans. For its work examining agency implementation plans, GAO reviewed 42 plans to identify reported challenges and mitigation strategies that could affect agency progress toward meeting requirements under the act. GAO also interviewed OMB and Treasury staff to update the status of prior open recommendations pertaining to the act. Treasury had technical comments, which GAO incorporated as appropriate; OMB had none.

View [GAO-16-556T](#). For more information, contact Michelle Sager at (202) 512-6806 or sagem@gao.gov. For information on DATA Act implementation plans, contact Paula Rascona at (202) 512-9816 or rasconap@gao.gov.

April 19, 2016

DATA ACT

Progress Made but Significant Challenges Must Be Addressed to Ensure Full and Effective Implementation

What GAO Found

The Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have taken some significant steps toward implementing the key provisions of the Digital Accountability and Transparency Act of 2014 (DATA Act); however, several challenges need to be addressed in order to successfully meet the act's requirements.

Data standards and technical schema. GAO reported in January 2016, that OMB and Treasury had issued standardized data element definitions for reporting federal spending, but the lack of key guidance has slowed the ability of agencies to operationalize the data standards. Specifically, OMB and Treasury had not yet released guidance to agencies regarding how some data elements should be reported in order to produce consistent and comparable data. For example, *Award Description*, defined as a brief description of the purpose of the award, led to different interpretations by agencies.

GAO also found that Treasury's technical guidance continues to evolve and lacks finality which may impede agency implementation. Treasury has issued several iterative versions of the technical schema that describes the standard format for reporting data elements. Each iteration results in revisions to the technical guidance which may adversely affect the timely implementation of the act. A finalized technical schema would provide agencies with a stable base from which to develop data submission plans and processes. According to Treasury officials, final draft guidance has been provided to agencies for comment.

Agency reported implementation challenges and mitigation strategies.

GAO's ongoing review of required implementation plans submitted to OMB indicates that federal agencies have identified significant challenges in implementing the DATA Act including competing priorities, resources, systems integration, and guidance. Some agencies also identified strategies to mitigate identified challenges, including effective communication and information sharing and leveraging of existing resources, and reported that additional support from OMB and Treasury is needed for successful implementation.

Pilot to reduce recipient reporting burden. OMB has designed a pilot that consists of two parts focused on the grants and procurement communities. The Department of Health and Human Services (HHS) has been designated as the executing agency for the grant portion while OMB leads the procurement portion with support by the General Services Administration's 18F and others. If implemented according to HHS's proposed design, the grants portion of the pilot will likely meet requirements established under the act and will partially reflect leading practices for effective pilot design. However, the procurement portion does not clearly document how it will contribute to meeting the act's requirements nor does it reflect leading practices for effective pilot design.

Although progress has been made, GAO has been unable to close any DATA Act recommendations including those calling for establishing a data governance structure, developing a federal program inventory, and expanding two-way dialogue with stakeholders. GAO will continue to monitor OMB's and Treasury's progress to address its recommendations as implementation proceeds.