



July 2016

# DATA ACT

## Improvements Needed in Reviewing Agency Implementation Plans and Monitoring Progress

# GAO Highlights

Highlights of [GAO-16-698](#), a report to congressional addressees

## Why GAO Did This Study

The federal government annually spends over \$3.7 trillion on its programs and operations. To help increase the transparency of online spending information, the DATA Act requires agencies to begin reporting spending data by May 2017, using new data standards established by OMB and Treasury. In May 2015, OMB directed federal agencies to submit DATA Act implementation plans by September 2015. OMB and Treasury subsequently issued guidance to agencies to help them develop plans.

This report is part of a series of products that GAO will provide to Congress in response to a statutory provision to review DATA Act implementation. This report discusses OMB's and Treasury's efforts to facilitate implementation of the DATA Act and the consistency of agency implementation plans with OMB and Treasury guidance, among other things. GAO evaluated OMB's and Treasury's processes against project management and internal control criteria, assessed selected agency implementation plans against OMB and Treasury guidance, and interviewed staff and officials at OMB and Treasury.

## What GAO Recommends

GAO recommends that OMB, in collaboration with Treasury, determine the population of agencies required to report under the DATA Act, establish fully documented controls and processes to help ensure agencies' effective implementation of the DATA Act, and request updated plans from non-CFO Act agencies. OMB generally concurred with the recommendations and Treasury deferred to OMB.

View [GAO-16-698](#). For more information, contact Paula M. Rascona at (202) 512-9816 or [rasconap@gao.gov](mailto:rasconap@gao.gov).

July 2016

## DATA ACT

# Improvements Needed in Reviewing Agency Implementation Plans and Monitoring Progress

## What GAO Found

The Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have not designed and implemented controls or fully documented processes related to the review and use of agency implementation plans for the Digital Accountability and Transparency Act of 2014 (DATA Act). These controls and processes are to be used for reviewing agencies' implementation plans and monitoring agencies' progress against these plans. In addition, as of July 2016, OMB had not determined the complete population of agencies that are required to report spending data under the DATA Act and submit implementation plans to OMB. OMB staff stated that their purpose for directing agencies to submit implementation plans was to use the implementation cost estimates to assist them in formulating the fiscal year 2017 budget, while Treasury officials stated that the purpose of their review of the plans was to facilitate discussions with the agencies. In addition, OMB and Treasury staff initially informed GAO that they were not going to request that agencies submit updated implementation plans that considered new technical requirements and guidance that was released on April 29, 2016. However, on June 15, 2016, OMB requested updated implementation plans by August 12, 2016, but only from Chief Financial Officers (CFO) Act agencies. Lacking fully documented controls and processes as well as a complete population of agencies that are required to report under the DATA Act increases the risk that the purposes and benefits of the DATA Act may not be fully achieved, and could result in incomplete spending data being reported. Further, without updated implementation plans, including revised timelines and milestones, cost estimates, and risks that reflect the impacts of new technical requirements and guidance, from all agencies that are required to report under the DATA Act, OMB and Treasury may not have the information needed to assist them in properly monitoring resource needs and agencies' progress in implementing new requirements government-wide.

Based on OMB and Treasury guidance, GAO identified 51 plan elements in four separate categories—timeline, cost estimate, narrative, and project plan—to be included in agency implementation plans. None of the 42 implementation plans GAO received and reviewed contained all 51 plan elements described in OMB and Treasury guidance. For example, many agencies' cost estimates did not provide all the elements for cost estimates, including total work years and a list of assumptions, or did not differentiate between their business process costs and technology costs.

**Average Inclusion Rate of Digital Accountability and Transparency Act of 2014 Plan Elements within Four Categories (Based on Implementation Plans from 42 Agencies)**

Category	Average percentage of plans that included elements	Average percentage of plans that did not include elements
Timeline	74	26
Cost estimate	48	52
Narrative	58	42
Project plan	39	61

Source: GAO analysis of agency implementation plans. | GAO-16-698

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# Contents

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Letter		1
	Background	4
	OMB and Treasury Have Not Fully Documented Processes and Controls for Their Review of Agency DATA Act Implementation Plans	9
	Agency DATA Act Implementation Plans Were Not Fully in Accordance with OMB and Treasury Guidance	15
	Agencies Reported Significant Challenges and Identified Mitigating Strategies for Implementing the DATA Act	20
	Conclusions	23
	Recommendations for Executive Action	24
	Agency Comments and Our Evaluation	25
Appendix I	Objectives, Scope, and Methodology	28
Appendix II	DATA Act Implementation Plan Elements	33
Appendix III	Agency-Reported Challenges and Mitigating Strategies	36
Appendix IV	Comments from the Office of Management and Budget	43
Appendix V	Comments from the Department of the Treasury	47
Appendix VI	GAO Contact and Staff Acknowledgments	50
Related GAO Products		51

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Tables

Table 1: Digital Accountability and Transparency Act of 2014 (DATA Act): Categories and Descriptions of Implementation Plan Elements	16
Table 2: Digital Accountability and Transparency Act of 2014: Average Inclusion Rate of Implementation Plan Elements within Four Categories (Based on Implementation Plans from 42 Agencies)	16
Table 3: Digital Accountability and Transparency Act of 2014 (DATA Act): Five Implementation Plan Elements Most Often Included in 42 Agency Implementation Plans and Percentage of Agencies That Included Each Element	17
Table 4: Digital Accountability and Transparency Act of 2014 (DATA Act): Five Implementation Plan Elements Most Often Not Included in 42 Agency Implementation Plans and Percentage of Agencies That Did Not Include Each Element	18
Table 5: Digital Accountability and Transparency Act of 2014: Differences between Chief Financial Officers (CFO) Act and Non-CFO Act Agency Implementation Plans in the Average Inclusion Rate of Plan Element Categories	19
Table 6: Digital Accountability and Transparency Act of 2014: Differences in the Average Inclusion Rate of Plan Element Categories in Implementation Plans Based on Whether Agencies Referenced Using a Shared Service Provider	19
Table 7: Categories of Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Challenges Reported by Agencies	21
Table 8: Agencies from Which We Requested Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Plans	30
Table 9: Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Plan Elements from Office of Management and Budget (OMB) and Department of the Treasury (Treasury) Guidance and Percentage of 42 Agencies That Included the Elements in Their Implementation Plans	33

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## Figures

Figure 1: Agencies Reporting Digital Accountability and Transparency Act of 2014 Implementation Challenges by Category	22
Figure 2: Agencies Reporting Digital Accountability and Transparency Act of 2014 Implementation Mitigation Strategies by Category	23

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### Abbreviations

CFO	chief financial officer
DATA Act	Digital Accountability and Transparency Act of 2014
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
IG	inspector general
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier
<i>PMBOK® Guide</i>	<i>A Guide to the Project Management Body of Knowledge</i>
Treasury	Department of the Treasury

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July 29, 2016

Congressional Addressees

The federal government annually spends more than \$3.7 trillion on its programs and operations. In an effort to increase the availability, accuracy, and usefulness of online federal spending information, Congress passed and the President signed the Digital Accountability and Transparency Act of 2014 (DATA Act).<sup>1</sup> Among other things, the DATA Act expands the required federal spending information reported online by agencies; mandates that the information appear in a form that is both searchable and downloadable; requires the establishment of data standards to generate uniform agency data that are consistent and comparable; and directs agency inspectors general (IG) and GAO to report on agencies' implementation and use of data standards as well as the completeness, timeliness, quality, and accuracy of federal spending data submitted. The DATA Act identifies the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) as the two agencies responsible for establishing data standards and issuing related guidance, and therefore they are responsible for leading government-wide implementation of the act. The DATA Act requires federal agencies to begin reporting federal spending data using the data standards by May 2017.

With the DATA Act reporting deadline approaching, it is a critical period for agency implementation. OMB's and Treasury's leadership and monitoring will play a key role in determining the success of the DATA Act's implementation as they work with federal agencies, provide guidance, clarify and communicate DATA Act reporting requirements, and review agency DATA Act implementation plans and monitor progress against those plans. Given the challenges associated with efforts to improve the quality and completeness of federal spending data reported by agencies, which are discussed further in this report, it is crucial that

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<sup>1</sup>Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006 (FFATA), Pub. L. No. 109-282, 120 Stat. 1186 (Sept. 26, 2006), *codified at* 31 U.S.C. § 6101 note. In this report, we refer to language added to FFATA by the DATA Act as DATA Act requirements.

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oversight and monitoring of DATA Act implementation be undertaken in a formal and organized manner.

We and the Treasury IG have previously reported on OMB's and Treasury's efforts to implement the requirements of the DATA Act. We reported that OMB and Treasury have made progress in developing a governance framework that includes structures for both project management and data governance. In May 2015, the Treasury IG reported on Treasury's project management practices and raised a number of issues that the IG believes could hinder the effective implementation of the act if not addressed.<sup>2</sup> In addition, we reported on OMB's and Treasury's steps taken to establish a governance process for developing data standards.<sup>3</sup> We recommended that OMB and Treasury establish a set of clear policies and processes for developing and maintaining data standards that are consistent with leading practices for data governance, but our recommendation has yet to be fully addressed. We have also previously reported on persistent challenges involving efforts to improve the quality and completeness of federal spending data reported by agencies to USAspending.gov, a free, publicly accessible website containing data on federal contract, grant, loan, and other financial assistance awards.<sup>4</sup> In that report, we recommended that the Director of OMB (1) clarify guidance on reporting and maintaining records of award information and (2) develop and implement oversight processes to ensure that award data are consistent with agency records. These recommendations have also not yet been fully addressed. For a complete list of our previous work in this area, see the Related GAO Products page at the end of this report.

This report is part of an ongoing effort by GAO in response to a statutory provision to review DATA Act implementation and focuses on the project

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<sup>2</sup>Department of the Treasury Office of Inspector General, *Treasury Is Making Progress In Implementing the DATA Act But Needs Stronger Project Management*, OIG-15-034 (Washington, D.C.: May 19, 2015).

<sup>3</sup>GAO, *DATA Act: Progress Made in Initial Implementation but Challenges Must be Addressed as Efforts Proceed*, [GAO-15-752T](#) (Washington, D.C.: July 29, 2015).

<sup>4</sup>GAO, *Data Transparency: Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website*, [GAO-14-476](#) (Washington, D.C.: June 30, 2014).

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management aspects of OMB's and Treasury's overall implementation governance with emphasis on OMB's requirement that agencies prepare and submit plans describing how they will implement the DATA Act requirements.<sup>5</sup> Our objectives for this report were to determine (1) the extent to which OMB and Treasury have processes and controls in place to review agencies' implementation plans, monitor agencies' progress, provide feedback to the agencies, and respond to challenges reported by the agencies; (2) the extent to which selected federal agencies' DATA Act implementation plans were prepared in accordance with OMB and Treasury guidance; and (3) challenges agencies have reported that may affect their ability to implement the DATA Act and mitigating strategies they have reported to address such challenges.

To address our first objective, we met with OMB and Treasury officials to gain an understanding of their processes for reviewing implementation plans, monitoring agencies' progress, providing feedback to agencies, and responding to reported challenges. We requested supporting documentation on OMB's and Treasury's written processes, policies, and procedures and assessed their processes and controls against various criteria, including *Standards for Internal Control in the Federal Government* and the Project Management Institute's *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.<sup>6</sup>

For our second objective, we requested the DATA Act implementation plans for 51 agencies and received such plans from 42 of those agencies, including all 24 Chief Financial Officers (CFO) Act agencies, 7 other agencies identified by OMB and Treasury as significant to the *Fiscal Year 2014 Financial Report of the United States Government*, and 11 smaller federal agencies.<sup>7</sup> We did not receive implementation plans from the

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<sup>5</sup>See FFATA § 6(b), as added by DATA Act § 3, and codified as amended at 31 U.S.C. § 6101 note.

<sup>6</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014), and Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, Fifth Edition (2013). *PMBOK* is a trademark of Project Management Institute, Inc. The *PMBOK® Guide* contains globally recognized standards for project management.

<sup>7</sup>The Chief Financial Officers (CFO) Act of 1990, Pub. L. No. 101-576, 104 Stat. 2838 (Nov. 15, 1990), among other things, established CFO positions in major federal agencies. The amended list of these agencies, commonly referred to collectively as CFO Act agencies, is codified in section 901 of title 31, United States Code.



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remaining 9 agencies because they (1) had determined the DATA Act was not applicable to them, (2) did not prepare plans because they were using or relying on their shared service providers' implementation plans, or (3) had not completed and submitted their plans to OMB yet. We did not validate the agencies' determination that the DATA Act was not applicable to them or review shared service providers' implementation plans because it was not within the scope of this review. We reviewed the 42 implementation plans we received and assessed them against 51 plan elements described in OMB and Treasury guidance. We also analyzed the OMB and Treasury guidance to agencies on preparing implementation plans and found it generally consistent with the *PMBOK® Guide*. We did not evaluate the quality of the information provided in the agencies' implementation plans, such as whether the implementation plan steps were sufficient to achieve successful implementation by the agencies, as this was outside the scope of this review.

For our third objective, we identified challenges and mitigating strategies reported by federal agencies in the 42 DATA Act implementation plans that we reviewed. We analyzed the overall results to identify common themes and categories of challenges and mitigation strategies reported by the agencies.

We conducted this performance audit from November 2015 to July 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I provides additional details on our scope and methodology.

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## Background

Over the past decade, Congress and the executive branch have taken steps to improve the transparency of federal spending data. Congress passed and the President signed the Federal Funding Accountability and Transparency Act of 2006 (FFATA) to increase the availability of information about federal spending and improve the accountability over federal contracts and financial assistance awards.<sup>8</sup> In response to

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<sup>8</sup>Pub. L. No. 109-282, 120 Stat. 1186 (Sept. 26, 2006).

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FFATA, in December 2007, OMB established USAspending.gov to give the American public access to information on how their tax dollars are spent.

More recently, the DATA Act, signed into law on May 9, 2014, expanded FFATA to link federal agency spending to federal program activities so that taxpayers and policymakers can more effectively track federal spending.<sup>9</sup> To improve the quality of reported data, the DATA Act also requires that agency-reported award and spending information comply with new data standards that OMB and Treasury have established. The data standards, including the data elements, specify the items to be reported under the DATA Act and define and describe what is to be included in each element with the aim of ensuring that information will be consistent and comparable. The DATA Act technical schema, developed by Treasury, details the specifications for the format, structure, tagging, and transmission of each data element.

The DATA Act requires GAO to issue reports in 2017, 2019, and 2021, assessing and comparing the quality of data submitted under the DATA Act as well as agency implementation and use of data standards. As we have previously reported, the DATA Act, if fully and effectively implemented, holds great promise for improving the transparency and accountability of federal spending data by providing consistent, reliable, and complete data on federal spending.

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## DATA Act Implementation Plans

In May 2015, OMB issued OMB Memorandum M-15-12 to federal departments and agencies directing them to submit DATA Act implementation plans to OMB.<sup>10</sup> OMB directed that agencies submit their implementation plans concurrent with their fiscal year 2017 budget requests that were due September 14, 2015. In June 2015, OMB issued *DATA Act Implementation Plans Guidance* to assist agencies in completing their implementation plans. According to the guidance, agency implementation plans were to include four parts: (1) a timeline of tasks

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<sup>9</sup>Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014).

<sup>10</sup>Office of Management and Budget, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, OMB Memorandum M-15-12 (Washington, D.C.: May 8, 2015).

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and steps that graphically displays the major milestones the agency expects to complete as part of the implementation process, (2) a cost estimate that includes costs for each activity and step in the timeline, (3) a narrative that summarizes the steps the agency will take to implement the DATA Act and any foreseeable challenges, and (4) a detailed project plan that reflects the major milestones in the agency's timeline and expands on the narrative.

In June 2015, Treasury issued the *DATA Act Implementation Playbook (Version 1.0)* that contains an explanation of the eight suggested steps and a timeline for agencies to use as they began to develop their plan for DATA Act implementation.

- Step 1: Organize team and create an agency DATA Act work group including affected communities and identify senior accountable official (by spring 2015).
- Step 2: Review list of elements and participate in data standardization process (by spring 2015).
- Step 3: Perform inventory of agency data and associated business processes (February 2015 to September 2015).
- Step 4: Design and strategize changes to systems and business processes to capture complete, multilevel data (e.g., summary and award detail) and prepare cost estimates for fiscal year 2017 budget projections (March 2015 to September 2015).
- Step 5: Execute broker to map agency data to DATA Act schema, implement system changes, and extract data (October 2015 to February 2016).<sup>11</sup>
- Step 6: Test broker implementation and outputs to ensure that data are valid (October 2015 to February 2016).
- Step 7: Update systems and implement other systems changes (October 2015 to February 2017).
- Step 8: Submit data and update and refine process (March 2016 to May 2017).

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<sup>11</sup>The broker is a virtual data layer at the agency that maps, transforms, validates, and submits agency data into a format consistent with the DATA Act schema.

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The *DATA Act Implementation Playbook (Version 1.0)* indicates that agencies will be working on steps 5 through 8 throughout fiscal years 2016 and 2017. These eight steps were to be discussed in the narrative section of agency implementation plans. On June 24, 2016, Treasury issued *DATA Act Implementation Playbook (Version 2.0)* which includes, among other things, expanded guidance on actions and steps to be included in steps 5 through 8.

In December 2015, OMB issued clarifying guidance in the form of a two-page Controller Alert that was narrowly focused on three areas of concern—a requirement to comply with data standards, a requirement to link award and account-level data, and a requirement to identify funding and awarding offices for financial assistance awards.<sup>12</sup> In April 2016, Treasury issued technical requirements for implementation, including version 1.0 of the technical schema known as the *DATA Act Information Model Schema*.<sup>13</sup> This includes technical guidance for federal agencies about what data to report to Treasury, including the authoritative sources of the data elements and the submission format. In May 2016, OMB issued *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information* in Management Procedures Memorandum No. 2016-03. This memorandum provided additional guidance on new federal prime award reporting requirements and agency assurances and authoritative sources for reporting.

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## OMB and Treasury Approach to DATA Act Implementation

Recently, a Treasury official testified that Treasury and OMB were leading implementation of the DATA Act with the goal of providing more accessible, searchable, and reliable spending data for the purposes of promoting transparency, facilitating better decision making, and improving operational efficiency.<sup>14</sup> The Treasury official also previously testified that

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<sup>12</sup>Office of Management and Budget, *DATA Act Implementation and Offices for Financial Assistance Awards*, Controller Alert (Dec. 4, 2015).

<sup>13</sup>Department of the Treasury, *DATA Act Information Model Schema v1.0* (Apr. 29, 2016).

<sup>14</sup>David A. Lebryk, Fiscal Assistant Secretary, U.S. Department of the Treasury, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology and Subcommittee on Government Operations, 114th Cong., 2nd sess., April 19, 2016.

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a well-thought-out implementation plan is one of the key factors to successful implementation. He stated that the plan Treasury had developed, in partnership with OMB, not only reflected the requirements and intent of the law, but it will also lead to a more data-driven government.<sup>15</sup>

OMB and Treasury have formed a governance framework that provides initial structures for project management and development of data standards, with OMB being the lead agency for policy decisions and Treasury being the lead agency for technical issues and decisions regarding DATA Act implementation. At the top of this framework is an Executive Steering Committee—consisting of OMB’s Controller and Treasury’s Fiscal Assistant Secretary. The Executive Steering Committee sets overall policy and guidance, oversees recommendations, and makes key decisions affecting government-wide implementation of the act. OMB staff and Treasury officials stated that they have established a joint partnership for DATA Act implementation, and one of their joint activities was reviewing agency implementation plans. According to OMB staff, OMB and Treasury are using an iterative approach for DATA Act implementation. According to the *PMBOK® Guide*, iterative processes are generally preferred when an organization needs to manage changing objectives and scope, to reduce the complexity of a project, or when the partial delivery of a product is beneficial and provides value for one or more stakeholder groups without impact to the final deliverable or set of deliverables.

According to Treasury officials, the Treasury Program Management Office is using an agile approach to develop a mechanism for agencies to report spending data and make changes to USAspending.gov. According to the *PMBOK® Guide*, adaptive processes include agile methods and are intended to respond to high levels of change and ongoing stakeholder involvement. Adaptive methods are also both iterative and incremental. OMB’s Digital Service team outlines agile and iterative guidance in the *U.S. Digital Services Playbook*, which reflects the principles that OMB

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<sup>15</sup>David A. Lebryk, Fiscal Assistant Secretary, U.S. Department of the Treasury, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology and Subcommittee on Government Operations, 112th Cong., 1st sess., December 3, 2014.

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and Treasury have stated they are using in their approaches to DATA Act implementation.<sup>16</sup>

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## OMB and Treasury Have Not Fully Documented Processes and Controls for Their Review of Agency DATA Act Implementation Plans

Although OMB directed federal agencies to submit implementation plans (through issuance of OMB Memorandum M-15-12), as of July 2016, OMB had not determined the complete population of agencies that are required to report spending data under the DATA Act and submit implementation plans to OMB. Further, OMB and Treasury have not fully documented processes and controls for reviewing and using agencies' DATA Act implementation plans to facilitate and monitor agencies' progress against the implementation plans, to provide feedback to agencies, and to respond to reported challenges. In addition, OMB and Treasury initially informed us that they were not planning to require or request that agencies submit updated implementation plans for review that would consider new technical requirements and guidance that were released. However, on June 15, 2016, OMB requested that the 24 CFO Act agencies submit updates to key components of their implementation plans by August 12, 2016.

Not knowing the complete population of agencies that are required to report under the DATA Act and not having fully documented processes and controls for reviewing and using agency DATA Act implementation plans increase the risk that the purposes and benefits of the DATA Act may not be fully achieved and could result in incomplete spending data being reported. Further, without updated implementation plans, including revised cost estimates and project plans to reflect the impacts of new technical requirements and guidance, from all agencies that are required by the DATA Act to report spending data, OMB and Treasury may not have the information needed to assist them in properly monitoring resource needs and agencies' progress in implementing new requirements government-wide.

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<sup>16</sup>United States Digital Service, *U.S. Digital Services Playbook*, accessed May 25, 2016, <https://playbook.cio.gov>. OMB's Digital Service is a team of technology experts and public servants established to improve the usefulness and reliability of U.S. government digital services.

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## OMB Has Not Determined the Complete Population of Agencies That Are Required to Report under the DATA Act

As of July 2016, OMB had not yet determined the complete population of agencies required to report under the DATA Act. According to OMB staff, OMB had not made this determination because of differing interpretations of how the DATA Act defines “federal agencies.”<sup>17</sup> This issue is not entirely new. We reported in June 2014, among other things, that it was unclear which agencies were required to report award data in accordance with FFATA because of differing interpretations of the funds that were exempt from reporting. We also reported that without clear OMB guidance to define the types of funds exempt from reporting, it is unclear whether justifications from the agencies for not reporting are appropriate. OMB generally agreed with our recommendations to clarify guidance on reporting award information and stated that the recommendations were consistent with actions required by the DATA Act, but our recommendations have yet to be fully addressed.<sup>18</sup>

Similarly, OMB and Treasury annually prepare the U.S. government’s consolidated financial statements, which requires the identification of the complete population of agencies that are required to report their annual audited financial information. As a result, Treasury has established a set of controls and procedures to validate the completeness of this population of agencies and help ensure that financial information is received from all agencies required to report. Leveraging this existing process and controls with appropriate modifications could help establish a complete population of agencies required to report under the DATA Act and reduce the risk of incomplete data being reported.

On April 19, 2016, OMB’s Controller testified that OMB would provide Congress with its determination of the population of agencies required to report under the DATA Act, while emphasizing that the 24 CFO Act agencies—which both OMB and the CFO Act agencies agree are all required to report—represent about 90 percent of federal spending.<sup>19</sup> In

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<sup>17</sup>The DATA Act defines “federal agency” by reference to the definition of “executive agency” set out in section 105 of Title 5, United States Code.

<sup>18</sup>[GAO-14-476](#).

<sup>19</sup>David Mader, Controller, Office of Management and Budget, *DATA Act: Monitoring Implementation Progress*, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology and Subcommittee on Government Operations, 114th Cong. 2nd sess., April 19, 2016 (video of hearing).

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May 2016, OMB and Treasury published guidance in the form of frequently asked questions to help federal agencies determine whether they are required to comply with the DATA Act. In addition, OMB staff stated that the agencies' general counsels could work with OMB to help agencies make these determinations. However, OMB does not have a process or plan in place to validate agency determinations and on a periodic basis request updated agency determinations or initial determinations for newly formed federal entities.

The *PMBOK® Guide*, a globally recognized standard for project management, includes defining the scope of the project—in this case, the population of agencies that are required to report. In addition, *Standards for Internal Control in the Federal Government* states that management—in this case, OMB—should periodically review policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives—in this case, successful implementation of the DATA Act. It is important for OMB and Treasury to determine on a periodic basis the complete population of agencies that are required to comply with DATA Act reporting requirements so that OMB and Treasury can follow up with agencies that have not reported and help ensure that they comply. Without determining the complete population of agencies required to report under the DATA Act—including submitting an implementation plan and reporting spending data—there is an increased risk that financial and nonfinancial information reported to USAspending.gov may be incomplete.

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## OMB and Treasury Have Not Fully Documented Processes and Controls for Reviewing and Using Agency Implementation Plans

OMB and Treasury have not fully documented processes or designed and implemented controls specifically related to reviewing and using agency implementation plans to facilitate and monitor agencies' progress against their implementation plans, to provide feedback to agencies, and to respond to reported challenges. OMB and Treasury officials confirmed that they do not have documented policies and procedures, or processes and controls, specifically for reviewing agency DATA Act implementation plans. OMB staff noted that the purpose for directing agencies to submit implementation plans was to use the implementation plan cost estimates to assist them in formulating the fiscal year 2017 budget. OMB staff stated that they have a documented process for budget formulation and that it was sufficient for their review of agency implementation plans. However, given the goals of the DATA Act, fully documented processes and controls for reviewing all information in the agencies' implementation plans, such as reported challenges, implementation plan timelines, and detailed project plans, would be useful for facilitating agency



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implementation of DATA Act requirements and monitoring agency progress.

Treasury officials, in their role working with OMB to lead DATA Act implementation, also reviewed agencies' implementation plans and provided us with a list of the agency plans they reviewed. They described their review of implementation plans as a point-in-time review, the objective of which was to identify overarching government-wide issues and identify agencies that could benefit from one-on-one discussions with Treasury about their plans. A Treasury official noted that Treasury's review of implementation plans was meant to encourage agencies to start considering how they would implement the DATA Act and facilitate initial discussions with the agencies. OMB and Treasury officials noted that the implementation plan is not their only tool for facilitating and monitoring agency implementation of the DATA Act. A Treasury official stated that they have a more holistic approach for engaging agencies through other tools and mechanisms, including office hours, sessions for agencies to test their data files, webinars, and interactive communication tools, which led to the development of the technical requirements and updates to USAspending.gov.

OMB and Treasury described their processes for providing, documenting, and sharing feedback given to agencies in October and November 2015 regarding the agencies' implementation plans. OMB and Treasury officials told us that based on their initial reviews of the agencies' implementation plans, they provided feedback to certain agencies as needed through written comments, e-mails, discussions, conferences and forums, monthly calls with senior accountable officials, weekly project management office hours, and workshops. A Treasury official provided us with examples of the written feedback provided to selected agencies based on Treasury's review of agencies' implementation plans. However, OMB and Treasury did not provide us with documentation detailing the results of their assessments of government-wide issues or the possible impacts to their DATA Act planning activities or timelines resulting from their review of agencies' implementation plans.

In April 2016, the Controller of OMB testified that OMB and Treasury are monitoring and tracking agency progress against implementation plans

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through May 2017.<sup>20</sup> The Controller stated that he and the Fiscal Assistant Secretary of Treasury are leading readiness discussions to encourage timely DATA Act implementation. OMB plans to complete these senior-level discussions in July 2016. However, OMB staff confirmed that they do not have documented policies and procedures for conducting or communicating the results of these discussions. OMB staff told us that these are unstructured, high-level reviews tailored to individual agencies. OMB staff stated that the agencies come forward with particular concerns, identify risks they are facing, and where they need help from OMB and Treasury.

According to *Standards for Internal Control in the Federal Government*, management should design control activities to achieve objectives and respond to risks.<sup>21</sup> Applying these standards to this situation suggests that procedures for reviewing agencies' implementation plans, including how to use information such as reported challenges in agencies' plans, are control activities that would help OMB and Treasury achieve their objective to lead efforts to implement the DATA Act. In addition, according to the *PMBOK® Guide*, monitoring project performance should be done consistently and regularly, and should include tracking and reviewing the progress and performance of the project, identifying areas where changes are required, and initiating corresponding changes. It should also include collecting, measuring, and distributing performance information and assessing measurement and trends to effect process improvements.

While OMB and Treasury staff noted that they also use other tools and mechanisms, such as office hours and webinars, to help support agencies in their implementation efforts, a well-developed agency implementation plan would be a key tool for OMB and Treasury to use to better monitor agencies' efforts to implement the DATA Act. Without clearly documented processes and controls for reviewing and using agency implementation plans to facilitate and monitor agencies' progress against their implementation plans, OMB and Treasury may not be able to

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<sup>20</sup>David Mader, Controller, Office of Management and Budget, testimony before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology and Subcommittee on Government Operations, 114th Cong., 2nd sess., April 19, 2016.

<sup>21</sup>[GAO-14-704G](#).

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fully determine resources, guidance, or other agency needs requiring actions by OMB and Treasury for the successful implementation of the DATA Act government-wide.

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### OMB Requested Updated Agency Implementation Plans, but Only from CFO Act Agencies

OMB and Treasury staff initially told us that they were not going to require or request that agencies submit updated implementation plans for review although new requirements and information were subsequently released, such as additional guidance on DATA Act reporting that OMB issued in May 2016.<sup>22</sup> The Controller of OMB later testified in April 2016 that OMB would request updated implementation plans from the agencies in June or July of 2016 after the technical schema has been issued; Treasury subsequently issued the schema on April 29, 2016.<sup>23</sup>

In a June 15, 2016 memorandum to CFO Act agencies, OMB requested that those agencies submit updated information on key components of their implementation plans by August 12, 2016.<sup>24</sup> OMB requested that the updated information include a timeline with updated milestones and a narrative explaining the milestones, the agency's progress to date, and updated risks and a risk mitigation strategy. OMB also requested updated information on the CFO Act agencies' resources—funds spent on the effort to date as well as estimated total future spending.

According to the *PMBOK® Guide*, updates arising from approved changes during the project may significantly affect parts of the project management plan and the project documents. Updates to these documents provide greater precision with respect to schedule, costs, and resource requirements to meet the defined project scope. For example, certain CFO Act agencies reported cost estimates for DATA Act implementation that ranged from \$387,000 to \$38.8 million for fiscal years

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<sup>22</sup>Office of Management and Budget, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*.

<sup>23</sup>David Mader, Controller, Office of Management and Budget, before the House Committee on Oversight and Government Reform, Subcommittee on Information Technology and Subcommittee on Government Operations, 114th Cong., 2nd sess., April 19, 2016.

<sup>24</sup>Office of Management and Budget, *Request for Updated DATA Act Implementation Plans by August 12, 2016* (June 15, 2016).

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2015 through 2018, but these estimates are likely to change as a result of the technical requirement changes and additional guidance issued in April and May 2016. Furthermore, since agencies will be implementing steps 5 through 8—execute, test, update, and submit data—in the *DATA Act Implementation Playbook (Version 2.0)* throughout fiscal years 2016 and 2017, additional focus and details for these steps in the agency implementation plans may be needed to help accomplish those steps as the May 2017 implementation date draws nearer.

OMB staff stated that they have focused OMB's implementation efforts on the CFO Act agencies as they account for a large majority of federal government spending. OMB's recent request for updated implementation plans from CFO Act agencies is a step in the right direction. However, the DATA Act is a government-wide initiative requiring full reporting of federal spending data that includes reporting beyond that of the CFO Act agencies. As discussed in this report, both CFO Act and other federal agencies submitted implementation plans to OMB. With the recent issuance of additional guidance and changes to technical requirements, agencies should be able to provide more extensive information in their project plans for completing steps 5 through 8 in OMB and Treasury's implementation plan guidance. Without updated agency implementation plans from all agencies required to report under the DATA Act, including revised timelines and milestones, cost estimates, and updated risks that reflect the impacts of new technical requirements and guidance, OMB and Treasury may not have the information needed to assist them in properly monitoring resource needs and agencies' progress in implementing new requirements government-wide.

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## Agency DATA Act Implementation Plans Were Not Fully in Accordance with OMB and Treasury Guidance

None of the 42 implementation plans we received and reviewed contained all 51 plan elements described in OMB and Treasury guidance. OMB's *DATA Act Implementation Plans Guidance* outlined four categories of information to be included in agency implementation plans: (1) timeline, (2) cost estimate, (3) narrative, and (4) project plan. Based on OMB's *DATA Act Implementation Plans Guidance* and Treasury's *Data Act Implementation Playbook (Version 1.0)*, we identified 51 plan elements to be reported within these four categories. Appendix II lists the 51 plan elements in each category and the percentage of the 42 agencies that included each element in their implementation plans, as well as the combined average of agencies that included the elements in each of the four categories. Descriptions of the categories and the number of plan elements in each category are shown in table 1.

**Table 1: Digital Accountability and Transparency Act of 2014 (DATA Act): Categories and Descriptions of Implementation Plan Elements**

Category	Description (number of plan elements)
Timeline	A timeline of tasks and steps toward implementing the requirements of Office of Management and Budget (OMB) Memorandum M-15-12. (11 plan elements)
Cost estimate	An estimate of costs to implement the tasks and steps for DATA Act implementation for the agency. (6 plan elements)
Narrative	A detailed narrative that explains the recommended steps for implementation in the Department of the Treasury's (Treasury) eight-step playbook, identifies the underlying assumptions, and outlines the potential difficulties and risks to successfully implementing the plan. (29 plan elements)
Project plan	The project plan documents the implementation requirements by task that agencies will develop over time. (5 plan elements)

Source: GAO analysis of OMB's *DATA Act Implementation Plans Guidance* and Treasury's *DATA Act Implementation Playbook (Version 1.0)*. | GAO-16-698

Based on our review of agency implementation plans, we found that none of the 42 agencies' plans included all of the 51 plan elements. For example, many agencies' cost estimates were incomplete as the agencies did not provide assumptions for their estimates; identify resource requirements, such as full-time and part-time employees needed to assist implementation; or differentiate between their business process costs and technology costs. Table 2 shows the average inclusion rate—the average of the percentages of specific plan elements in a category that the 42 agencies included in their implementation plans.

**Table 2: Digital Accountability and Transparency Act of 2014: Average Inclusion Rate of Implementation Plan Elements within Four Categories (Based on Implementation Plans from 42 Agencies)**

Category	Average percentage of plans that included elements	Average percentage of plans that did not include elements
Timeline	74	26
Cost estimate	48	52
Narrative	58	42
Project plan	39	61

Source: GAO analysis of agency implementation plans. | GAO-16-698

As shown above, the plan elements that were most often included were those in the timeline category. We determined that the average inclusion rate across the 11 plan elements of the timeline category was 74 percent.

Of the four categories, the project plan category had the lowest average inclusion rate.

As shown in table 3, the 5 plan elements most often included in agency implementation plans were related to milestone dates, tasks, and changes to information technology systems (in the timeline category) and information on conducting an inventory of agency data (in the narrative category).

**Table 3: Digital Accountability and Transparency Act of 2014 (DATA Act): Five Implementation Plan Elements Most Often Included in 42 Agency Implementation Plans and Percentage of Agencies That Included Each Element**

Element (category)	Percentage of plans that included this element
Milestones ending with projected completion of all Office of Management and Budget Memorandum M-15-12 requirements (timeline)	90
Milestones beginning with first DATA Act-related activity (even if already completed) (timeline)	83
Information on conducting inventory of data elements (timeline)	83
Changes to information technology systems (noting if changes occur inside or outside life cycle plans in consultation with the Chief Information Officer) (timeline)	83
Information on conducting an inventory of agency data (narrative)	83

Source: GAO analysis of agency implementation plans. | GAO-16-698

As shown in table 4, the 5 plan elements that were most often not included in agency implementation plans were information on resource needs and dependencies (in the project plan category), information on which steps can be or have been done with existing resources (in the cost estimate category), notation on the project plan of which steps require OMB and Treasury action (in the project plan category), and information relating to procedures for verifying the completeness of data submitted to Treasury (in the narrative category). OMB guidance also requested that agencies report cost savings, if any. However, our review of the implementation plans found that no agencies reported cost savings.

**Table 4: Digital Accountability and Transparency Act of 2014 (DATA Act): Five Implementation Plan Elements Most Often Not Included in 42 Agency Implementation Plans and Percentage of Agencies That Did Not Include Each Element**

Element (category)	Percentage of plans that did not include this element
Information on resource needs (project plan)	86
Information on dependencies (project plan)	74
Identification as to which steps can be or have been done with existing resources (cost estimate)	71
Notation of steps that require Office of Management and Budget and Department of the Treasury (Treasury) action (project plan)	71
A procedure to verify the completeness of data submitted to Treasury (narrative)	69

Source: GAO analysis of agency implementation plans. | GAO-16-698

In our review of the 42 agency implementation plans, we found that the amount of information varied based on whether the agency was a CFO Act agency and whether the agency referred to a shared service provider.<sup>25</sup> For example, we found that CFO Act agency plans were generally more complete than non-CFO Act agency plans, which highlights the importance of obtaining updated implementation plans from non-CFO Act agencies, as previously discussed. Table 5 shows differences between the 24 CFO Act agencies' and the 18 non-CFO Act agencies' implementation plans in their average inclusion rates across the four categories of DATA Act implementation plan elements.

<sup>25</sup>A shared service provider is a third-party entity that manages and distributes software-based services and solutions to customers across a wide area network from a central data center.

**Table 5: Digital Accountability and Transparency Act of 2014: Differences between Chief Financial Officers (CFO) Act and Non-CFO Act Agency Implementation Plans in the Average Inclusion Rate of Plan Element Categories**

Category	CFO Act agencies	Non-CFO Act agencies
	Average percentage included	Average percentage included
Timeline	86	58
Cost estimate	55	42
Narrative	73	38
Project plan	48	26

Source: GAO analysis of agency implementation plans. | GAO-16-698

We also found that less information was provided in the plans for agencies that indicated they used a shared service provider than for those agencies that did not indicate they used a shared service provider. Agencies that indicated they used a shared service provider often made reference to their shared service provider’s implementation plan instead of identifying what steps the agency would take for a particular plan element to implement the DATA Act. Of the 42 agency implementation plans we reviewed, we found there were 26 agencies that did not make reference to using shared service providers and 16 agencies that referred to using a shared service provider for implementation. Table 6 shows that the average inclusion rate among agencies not referencing use of a shared service provider was higher for all four categories than among those agencies that referenced using a shared service provider.

**Table 6: Digital Accountability and Transparency Act of 2014: Differences in the Average Inclusion Rate of Plan Element Categories in Implementation Plans Based on Whether Agencies Referenced Using a Shared Service Provider**

Category	Agencies that did not make reference to using a shared service provider	Agencies that made reference to using a shared service provider
	Average percentage included	Average percentage included
Timeline	81	62
Cost estimate	52	43
Narrative	63	51
Project plan	45	29

Source: GAO analysis of agency implementation plans. | GAO-16-698

Note: A shared service provider is a third-party entity that manages and distributes software-based services and solutions to customers across a wide area network from a central data center.



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Given the lack of consistent and complete agency implementation plans, it may be difficult for OMB and Treasury to determine whether agencies will be able to implement the data standards finalized by OMB and Treasury in August 2015. In addition, the implementation plans we reviewed are now not up-to-date and do not address the new technical requirements issued by Treasury in April 2016 and the guidance issued by OMB in May 2016 or provide all the necessary details needed to implement steps 5 through 8 of the *DATA Act Implementation Playbook (Version 2.0)*. In June 2016, OMB requested that CFO Act agencies submit updated information on key components of their implementation plans by August 12, 2016. While OMB and Treasury noted that they have other tools and mechanisms to monitor agencies' implementation efforts, without updated implementation plans from all agencies required to report under the DATA Act, it is unclear whether OMB and Treasury will have sufficient information to determine the full range of resources and guidance that will be needed to help ensure the successful government-wide implementation of DATA Act requirements by the May 2017 deadline.

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## Agencies Reported Significant Challenges and Identified Mitigating Strategies for Implementing the DATA Act

Although OMB and Treasury have issued data standards and provided guidance and feedback to federal agencies on their DATA Act implementation plans, as discussed above, our work indicates that challenges remain and will need to be addressed to successfully implement the DATA Act government-wide. OMB's *DATA Act Implementation Plans Guidance* was issued to the agencies, detailing what should be included in their implementation plans and asking agencies to describe any potential difficulties or foreseeable challenges that could hinder their implementation of the DATA Act. This guidance also encouraged agencies to provide suggestions to mitigate the challenges they foresee. As we testified in April 2016, our review of the 42 agency implementation plans we received, dated from August 2015 through January 2016, provides insight into the challenges agencies face as well as the mitigation strategies they suggest to address them.<sup>26</sup> Based on our analysis of the agencies' implementation plans, we believe that the challenges and mitigation strategies reported provide important

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<sup>26</sup>GAO, *DATA Act: Progress Made but Significant Challenges Must Be Addressed to Ensure Full and Effective Implementation*, [GAO-16-556T](#) (Washington, D.C.: April 19, 2016).

insight as to the level of effort, communication, collaboration, and resources needed to successfully implement the DATA Act government-wide.

## Challenges Reported by Agencies in Their DATA Act Implementation Plans

Based on the results of our review of the 42 agency implementation plans, we identified seven overarching categories of challenges reported by agencies to effectively and efficiently implementing the DATA Act, as shown in table 7.

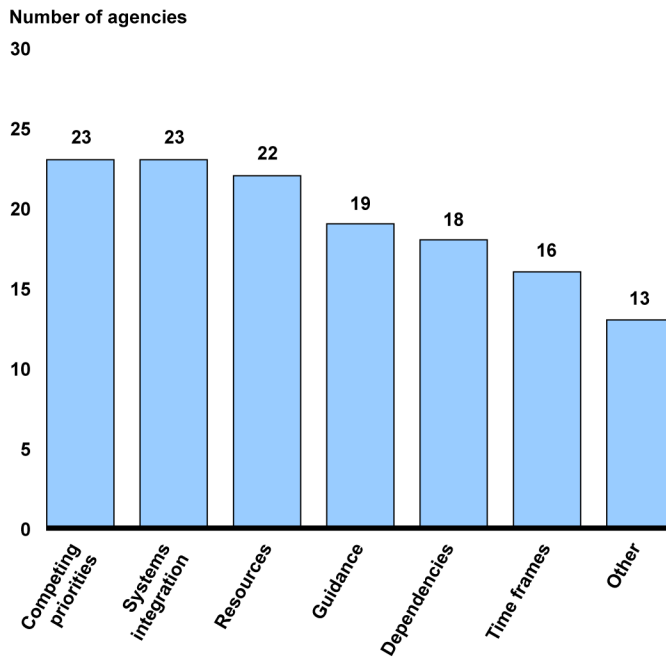
**Table 7: Categories of Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Challenges Reported by Agencies**

Category	Description of reported challenges
Competing priorities	Statutory, regulatory, policy, or other agency-specific matters that have competing priorities or conflicting requirements reported by an agency that may affect its DATA Act implementation process.
Systems integration	Technology issues, including challenges with integrating multiple existing and disparate financial and management systems or the need to install new systems or modify existing systems to implement the DATA Act.
Resources	Lack of funding or human resources reported by agencies as needed for implementation.
Guidance	Agency views that incomplete, unclear, missing, and evolving guidance on requirements, including data elements, the technical schema, and other key policies issued by the Office of Management and Budget and the Department of the Treasury; a lack of guidance provided; or both affect agency DATA Act implementation.
Dependencies	Agency implementation activities that depend on other parties or on actions being taken before the agency can proceed (i.e., additional guidance issued, resource limitations, financial systems being integrated, or resolution of competing priorities).
Time frames	Short length of time for agencies to implement DATA Act requirements.
Other	Other reported challenges by agencies relating to project or program management, reporting frameworks, and data issues.

Source: GAO analysis of agency implementation plans. | GAO-16-698

The results of our review of the 42 agency implementation plans we received found that 31 agencies reported specific challenges, some of which may overlap with multiple categories. As shown in figure 1, agencies most frequently reported challenges with competing priorities, systems integration, and resources. See appendix III for examples of the types of challenges agencies reported in each category.

**Figure 1: Agencies Reporting Digital Accountability and Transparency Act of 2014 Implementation Challenges by Category**

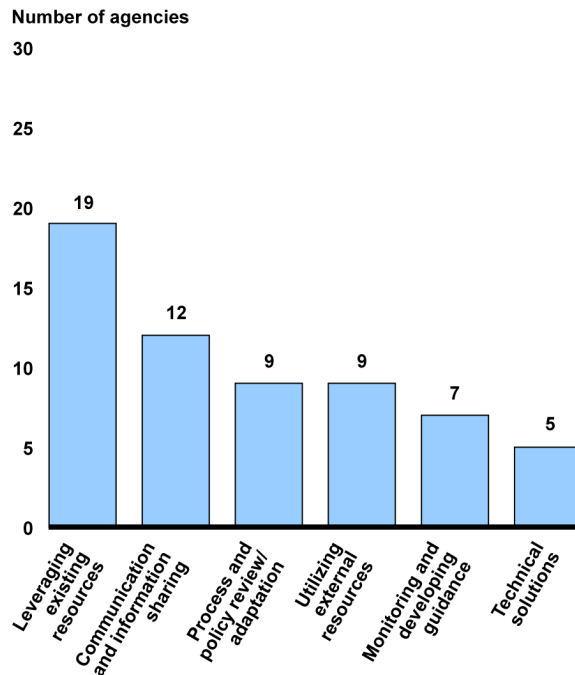


Source: GAO analysis of agency implementation plans. | GAO-16-698

### Mitigation Strategies Reported by Agencies in Their DATA Act Implementation Plans

The results of our review found that 26 agencies reported in their implementation plans mitigation strategies to address challenges. Some strategies discussed in the agency implementation plans address multiple challenges. As shown in figure 2, agencies reported crosscutting mitigation strategies to address specific areas of concern most frequently with respect to leveraging existing resources and communication and information sharing. See appendix III for examples of the mitigating strategies agencies reported in each category.

**Figure 2: Agencies Reporting Digital Accountability and Transparency Act of 2014 Implementation Mitigation Strategies by Category**



Source: GAO analysis of agency implementation plans. | GAO-16-698

Overall, our work indicates that agency implementation plans contain valuable information on a variety of challenges in implementing the DATA Act, including a lack of funding, inadequate guidance, tight time frames, competing priorities, and system integration issues. Agencies reported working closely with internal and external stakeholders to address these challenges as effectively as possible, but also reported that additional support from OMB and Treasury is needed for successful implementation of the DATA Act.

## Conclusions

Managing and overseeing government-wide projects such as DATA Act implementation requires a governance framework that includes structures for both project management and data governance. Agency DATA Act implementation plans are one of the tools that OMB and Treasury use to facilitate implementation of the DATA Act. However, they do not have fully documented processes and controls for reviewing and using agency implementation plans to monitor agencies' progress against their plans, provide needed guidance or resources, and respond to challenges

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reported by the agencies. In addition, as of July 2016, OMB had not yet determined the complete population of federal agencies that are required to report spending data under the DATA Act and only requested that CFO Act agencies submit updated implementation plans to OMB. As a result, OMB and Treasury may not be fully informed of government-wide issues or concerns, which may impair their ability to help ensure that all agencies have the full range of resources and guidance needed to fully achieve the purposes and benefits of the DATA Act. In addition, without updated implementation plans from all agencies required to report under the DATA Act that reflect the impacts of new technical requirements and guidance on timelines and milestones, cost estimates, and risks, OMB and Treasury may not have complete information to properly monitor resource needs and progress in implementing new requirements government-wide. To sustain the progress that has been made, addressing these concerns will become even more important as the May 2017 agency implementation date draws nearer.

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## Recommendations for Executive Action

To help ensure effective government-wide implementation and that complete and consistent spending data will be reported as required by the DATA Act, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, take the following two actions related to oversight and monitoring of agencies' progress:

- establish or leverage existing processes and controls to determine the complete population of agencies that are required to report spending data under the DATA Act and make the results of those determinations publicly available and
- reassess, on a periodic basis, which agencies are required to report spending data under the DATA Act and make appropriate notifications to affected agencies.

To help ensure effective implementation of the DATA Act by the agencies and facilitate the further establishment of overall government-wide governance, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, take the following three actions related to monitoring and use of agency implementation plans:

- establish documented policies and procedures for the periodic review and use of agency implementation plans to facilitate and monitor agency progress against the plans;
- request that non-CFO Act agencies required to report federal spending data under the DATA Act submit updated implementation

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plans, including updated timelines and milestones, cost estimates, and risks, to address new technical requirements; and

- assess whether information or plan elements missing from agency implementation plans are needed and ensure that all key implementation plan elements are included in updated implementation plans.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Director of OMB and the Secretary of the Treasury for review and comment. Both OMB and Treasury submitted written comments that are discussed below and reprinted in appendixes IV and V, respectively. In addition, OMB and Treasury provided technical comments, which we incorporated as appropriate.

In its written comments, OMB generally concurred with our recommendations related to determining the population of agencies required to report under the DATA Act, but OMB stated that it maintains that each agency is responsible for determining whether it is subject to the DATA Act. OMB also stated that it and Treasury issued frequently asked questions clarifying the legal framework under which an agency would be subject to reporting and that agencies may consult with OMB for additional counsel. Although OMB agreed that complete reporting from federal agencies is a critical component of successful DATA Act implementation, we still have concerns about whether and how OMB, in coordination with Treasury, will help ensure completeness of the information reported at the government-wide level.

In addition, OMB generally concurred with our recommendations related to the monitoring and use of agency implementation plans. OMB reiterated that it considered the initial implementation plans in the budget formulation process and used the plans for resource planning purposes. OMB also noted other outreach efforts we discussed in this report, including OMB and Treasury's recent progress meetings (i.e., readiness discussions) held with each CFO Act agency's senior accountable official and OMB's request to CFO Act agencies for updates to their implementation plans to complement these meetings. OMB agreed that a more formalized process should be established for reviewing agency updates to implementation plans and stated that it would work to systematically report on the contents of the implementation plan updates. However, we are still concerned about OMB focusing primarily on the 24 CFO Act agencies. In its response, OMB reiterated its view that because the 24 CFO Act agencies represent over 90 percent of federal spending, they provide OMB with the visibility needed to address significant

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implementation challenges. We recognize that the CFO Act agencies represent the majority of federal spending, but as we discussed in this report, the DATA Act is a government-wide initiative requiring full reporting of all federal spending. Without updated implementation plan information from all agencies, OMB may not have all the information it needs to monitor resource needs and progress government-wide.

In its written comments, Treasury noted that OMB would separately respond to the recommendation related to determining the population of agencies required to report under the DATA Act and that Treasury will continue to collaborate with and assist OMB on such matters. Regarding our recommendations related to agency implementation plans, Treasury stated that because OMB is requesting the updated implementation plan information, Treasury would defer to OMB on a decision to expand the request to non-CFO Act agencies and on the monitoring of the completeness of implementation plans. To the extent that Treasury undertakes a detailed review of updates to agency implementation plans in the future, Treasury stated that it will establish documented policies and procedures for its review of those plans. Treasury agreed that it has a responsibility to monitor agency progress and stated that it remains committed to that effort.

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We are sending copies of this report to the Director of the Office of Management and Budget, the Secretary of the Treasury, and appropriate congressional addressees. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-9816 or [rasconap@gao.gov](mailto:rasconap@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.



Paula M. Rascona  
Director, Financial Management and Assurance

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*List of Addressees*

The Honorable Ron Johnson  
Chairman  
The Honorable Thomas R. Carper  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Jason Chaffetz  
Chairman  
The Honorable Elijah E. Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Mark Meadows  
Chairman  
The Honorable Gerald E. Connolly  
Ranking Member  
Subcommittee on Government Operations  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Will Hurd  
Chairman  
The Honorable Robin Kelly  
Ranking Member  
Subcommittee on Information Technology  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Mark R. Warner  
United States Senate



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# Appendix I: Objectives, Scope, and Methodology

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This review is part of an ongoing effort to provide interim reports on the progress being made in the implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act), while also meeting our reporting requirements mandated by the act. The objectives of this review were to determine (1) the extent to which the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have processes and controls in place to review agencies' implementation plans, monitor agencies' progress, provide feedback to the agencies, and respond to challenges reported by the agencies; (2) the extent to which selected federal agencies' DATA Act implementation plans were prepared in accordance with OMB and Treasury guidance; and (3) challenges agencies have reported that may affect their ability to implement the DATA Act and mitigating strategies they have reported to address such challenges.

To address the first objective, we interviewed cognizant OMB and Treasury officials and requested supporting documentation to further understand the processes and internal controls that OMB and Treasury have related to their (1) reviewing of agencies' implementation plans, (2) monitoring of agencies' progress and providing of feedback on the implementation plans, and (3) responding to challenges reported by the agencies. Specifically, we made inquiries of OMB and Treasury officials on the processes they used to analyze agency implementation plans and how they communicated the results of their reviews government-wide and to individual agencies. We also made inquiries about their actions taken in response to the issues identified and the extent to which their reviews assist agencies in implementing the DATA Act. Further, we reviewed examples Treasury provided to us of correspondence between Treasury and agencies discussing feedback on agency implementation plans. We had discussions with OMB and Treasury officials to determine if there were any updates or revisions to agencies' implementation plans or implementation status reports. We used *Standards for Internal Control in the Federal Government* and the Project Management Institute's *A Guide to The Project Management Body of Knowledge (PMBOK® Guide)* to

assess OMB's and Treasury's processes and controls that were in place from November 2015 through July 2016.<sup>1</sup>

For our second objective, we requested agencies' DATA Act implementation plans from OMB and, at OMB's request, requested them directly from 51 agencies that we identified based primarily on a listing of agencies in an OMB information system used to support OMB's federal management and budget processes. The 51 agencies we identified included the 24 Chief Financial Officers (CFO) Act agencies, 13 other agencies significant to the Fiscal Year 2014 Financial Report of the United States Government, and 14 smaller federal agencies. However, we note that the 51 agencies we identified may not be all of the agencies required to report under the DATA Act. We received plans from 42 of these agencies; 9 agencies did not submit their plans for various reasons (see table 8). We did not validate the agencies' determination that the DATA Act was not applicable to them or review shared service providers' implementation plans because it was not within the scope of the audit.

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<sup>1</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014); and Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, Fifth Edition (2013). PMBOK is a trademark of Project Management Institute, Inc. The *PMBOK® Guide* contains the globally recognized standards for project management.

**Table 8: Agencies from Which We Requested Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Plans**

	Plans received		Plans not received
Chief Financial Officers Act agencies	Other agencies significant to the Fiscal Year 2014 Financial Report of the United States Government		
		Other smaller agencies	
Department of Agriculture	Federal Communications Commission	African Development Foundation	Farm Credit System Insurance Corporation <sup>a</sup>
Department of Commerce	Federal Deposit Insurance Corporation	Corporation for National and Community Service	Railroad Retirement Board <sup>a</sup>
Department of Defense	Millennium Challenge Corporation	Federal Election Commission	Smithsonian Institution <sup>a</sup>
Department of Education	National Credit Union Administration	Federal Maritime Commission	Tennessee Valley Authority <sup>a</sup>
Department of Energy	Overseas Private Investment Corporation	U.S. International Trade Commission	U.S. Postal Service <sup>a</sup>
Department of Health and Human Services	Pension Benefit Guarantee Corporation	Merit Systems Protection Board	Federal Energy Regulatory Commission <sup>b</sup>
Department of Homeland Security	Securities and Exchange Commission	National Archives and Records Administration	National Transportation Safety Board <sup>b</sup>
Department of Housing and Urban Development		National Endowment for the Arts	Export-Import Bank <sup>c</sup>
Department of the Interior		National Endowment for the Humanities	Peace Corps <sup>c</sup>
Department of Justice		National Labor Relations Board	
Department of Labor		Occupational Safety and Health Review Commission	
Department of State			
Department of Transportation			
Department of the Treasury			
Department of Veterans Affairs			
Agency for International Development			
Environmental Protection Agency			
General Services Administration			
National Aeronautics and Space Administration			
National Science Foundation			
Nuclear Regulatory Commission			
Office of Personnel Management			
Small Business Administration			

	Plans received	Plans not received
Chief Financial Officers Act agencies	Other agencies significant to the Fiscal Year 2014 Financial Report of the United States Government	Other smaller agencies
Social Security Administration		

Source: GAO analysis and information from agencies. | GAO-16-698

<sup>a</sup>Agencies that determined the DATA Act was not applicable to them.

<sup>b</sup>Agencies that did not prepare an implementation plan because they were using or relying on their shared service providers' implementation plans.

<sup>c</sup>Agencies that had not yet completed and submitted their plans to the Office of Management and Budget.

We reviewed OMB and Treasury guidance—OMB Memorandum M-15-12, *DATA Act Implementation Plans Guidance* and *DATA Act Implementation Playbook (Version 1.0)*. Based on this guidance and the *PMBOK® Guide*, we identified 51 specific plan elements for inclusion in an agency's implementation plan if it was prepared in accordance with the guidance.<sup>2</sup> The 51 plan elements were grouped into four separate categories: (1) timeline, (2) cost estimate, (3) narrative, and (4) project plan. According to OMB's *DATA Act Implementation Plans Guidance*, agencies' implementation plans should consist of multiple parts: (1) a timeline of tasks and steps toward implementing the requirements of OMB Memorandum M-15-12; (2) an estimate of costs to implement these tasks and steps; (3) a detailed narrative that explains the required steps the agency will take to implement the DATA Act, identifies the underlying assumptions, and outlines the potential difficulties and risks to successfully implement the plan; and (4) a detailed project plan that agencies will develop over time. See appendix II for a list of the 51 plan elements. We did not evaluate the quality of the information provided in the agencies' plans, such as whether the implementation plan steps were sufficient to achieve successful implementation by the agencies, as this was outside the scope of this review. We reviewed OMB and Treasury guidance to agencies on preparing DATA Act implementation plans,

<sup>2</sup>Office of Management and Budget, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, OMB Memorandum M-15-12 (Washington, D.C.: May 8, 2015); Office of Management and Budget, *DATA Act Implementation Plans Guidance* (Washington, D.C.: June 2015); and Department of the Treasury, *DATA Act Implementation Playbook, Version 1.0* (Washington, D.C.: June 2015).

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assessed it against the *PMBOK® Guide*, and found that it was generally consistent.<sup>3</sup> We then reviewed the implementation plans using a data collection instrument to document our assessment of the extent to which the plans contained the 51 plan elements. Appendix II contains the overall results of our review.

For the third objective, we reviewed the 42 federal agency DATA Act implementation plans to identify any challenges and mitigating strategies reported by the agencies. We did not assess the significance of the challenges or merits of the mitigating strategies reported in the agencies' plans. We also reviewed the 24 CFO Act agencies' performance reports and agency financial reports for fiscal years 2014 and 2015, as well as the 27 other agencies' financial reports available for fiscal year 2015, to identify any additional challenges or mitigating strategies reported; none were noted. We analyzed the information obtained and identified common themes and categories of challenges and mitigating strategies that the agencies reported.

We coordinated our audit efforts with the inspector general (IG) community through monthly working group meetings to promote an efficient and effective audit process and avoid duplication of audit efforts. We plan to communicate the results of our review to individual agency IGs (upon request) to help inform their readiness reviews on issues or potential risk areas. The objective of IG readiness reviews is to allow an agency's IG to gain an understanding of the agency's processes and procedures implemented or planned to be implemented, and to assess and report on the quality and use of data standards of the financial and payment data in accordance with the requirements of the DATA Act.

We conducted this performance audit from November 2015 to July 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>3</sup>Project Management Institute, Inc., *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, Fifth Edition (2013).

# Appendix II: DATA Act Implementation Plan Elements

**Table 9: Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation Plan Elements from Office of Management and Budget (OMB) and Department of the Treasury (Treasury) Guidance and Percentage of 42 Agencies That Included the Elements in Their Implementation Plans**

#	Plan elements	Percentage included	Percentage not included
<b>I. Timeline</b>			
<i>Does the agency's implementation plan include:</i>			
1	Major milestones graphic, including projected dates	76	24
2	Milestones in the narrative	71	29
3	Milestones in the project plan	76	24
4	Milestones beginning with first DATA Act-related activity (even if already completed)	83	17
5	Milestones ending with projected completion of all OMB Memorandum M-15-12 requirements	90	10
<i>Does the timeline have steps for:</i>			
6	Conducting inventory of data elements	83	17
7	Mapping agency data to DATA Act schema	71	29
8	Linking systems with unique award ID	60	40
9	Making changes to information technology systems (noting if changes occur inside/outside life cycle plans in consultation with the Chief Information Officer)	83	17
10	Providing agency data to Treasury in schema format	69	31
11	Submitting object class and program activity data from agency financial systems to OMB	45	55
<b>Overall average percentage of agencies</b>		<b>74</b>	<b>26</b>
<b>II. Cost estimate</b>			
<i>Does the cost estimate in the agency's implementation plan:</i>			
12	Include costs for each activity and step in the timeline	50	50
13	Identify which steps can be/have been done with existing resources	29	71
<i>For fiscal years in the timeline:</i>			
14	Include total costs	71	29
15	Include total work years	64	36
16	Include a list of assumptions	40	60
17	Distinguish between technology costs versus other costs associated with business process changes	36	64
<b>Overall average percentage of agencies</b>		<b>48</b>	<b>52</b>
<b>III. Narrative</b>			
<i>Does the narrative section of the agency's implementation plan:</i>			
18	Include a table of contents	67	33
19	Discuss ways to manage costs	55	45

**Appendix II: DATA Act Implementation Plan  
Elements**

<b>#</b>	<b>Plan elements</b>	<b>Percentage included</b>	<b>Percentage not included</b>
20	Discuss use of standardized data in agency management	57	43
21	Discuss how the plan affects and aligns with plans to move to a shared service provider	52	48
22	Include any suggestions to mitigate identified challenges	57	43
23	Discuss competing statutory, regulatory, or policy priorities	52	48
24	Identify challenges in its implementation plan	71	29
	<i>Does the narrative include the following plan elements from Treasury's eight-step Implementation Playbook (Version 1.0):</i>		
25	Step 1: Organize team	69	31
26	Identify senior accountable official	57	43
27	Create DATA Act work group	67	33
28	Step 2: Review data elements to solidify understanding of data definitions and how they relate to the agency	69	31
29	Step 3: Inventory data	83	17
30	Determine how data elements, sources, and processes fit/link together	71	29
31	Determine where there are gaps in data collected	60	40
32	Document role of shared service provider and enterprise resource planning vendors	45	55
33	Step 4: Design and strategize	67	33
34	Assess existing systems to capture award ID to link financial data to agency management systems	62	38
35	Develop comprehensive implementation plan	36	64
36	Develop solutions to address gaps in agency data	45	55
37	Step 5: Execute broker	64	36
38	Populate DATA Act schema with agency data	52	48
39	Step 6: Test broker implementation	62	38
40	Validate/verify integrity of data	55	45
41	Test mapping to schema	50	50
42	Test submission process to Treasury	57	43
43	Step 7: Update systems to capture DATA Act elements and required linkages	74	26
44	Step 8: Submit data to Treasury	69	31
45	Verify accuracy of data submitted	33	67
46	Verify completeness of data submitted	31	69
	<b>Overall average percentage of agencies</b>	<b>58</b>	<b>42</b>
	<b>IV. Project plan</b>		
	<i>Does the agency's implementation plan include a project plan with:</i>		
47	Details of major milestones in the timeline	67	33

**Appendix II: DATA Act Implementation Plan  
Elements**

<b>#</b>	<b>Plan elements</b>	<b>Percentage included</b>	<b>Percentage not included</b>
<i>For each milestone:</i>			
48	High-level tasks leading to the milestone	57	43
49	Resource needs	14	86
50	Dependencies	26	74
51	Steps noted that require OMB and Treasury action	29	71
<b>Overall average percentage of agencies</b>		<b>39</b>	<b>61</b>

Legend: ID = identification number.

Source: GAO analysis of OMB and Treasury guidance and agency implementation plans. | GAO-16-698



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# Appendix III: Agency-Reported Challenges and Mitigating Strategies

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As we testified in April 2016, we identified seven overarching categories of challenges to effectively and efficiently implementing the Digital Accountability and Transparency Act of 2014 (DATA Act) as reported in agencies' implementation plans.<sup>1</sup> In our review of the 42 agency implementation plans we received, we found that 31 agencies reported specific challenges, some of which may overlap with multiple categories. We also found that 26 agencies identified mitigation strategies to address challenges, as suggested by Office of Management and Budget (OMB) guidance.<sup>2</sup> Some strategies discussed in the agency implementation plans address multiple challenges. The following examples of agency-reported challenges were included in our April 2016 testimony, as well as some of the mitigating strategies reported.

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## Challenges Reported by Agencies in Their DATA Act Implementation Plans

*Competing priorities.* Of the 31 agencies reporting challenges in their implementation plans, 23 reported competing statutory, regulatory, or policy priorities that could potentially affect DATA Act implementation. One competing priority certain agencies reported is meeting the requirements of OMB Circular No. A-11, which provides agencies with guidance on the budget process, including how to prepare and submit required materials for budget preparation and execution.<sup>3</sup> For example, one agency noted that the different timelines for OMB Circular No. A-11 requirements on "object class" and "program activity" reporting create competing priorities both for the agency's software vendors and for the agency's internal resources. The agency noted that staff with knowledge needed to understand and comment on new DATA Act data element definitions are the same staff required to work on the new Circular No. A-11 reporting requirements. The agency added that its ability to engage effectively on the DATA Act requirements while working to implement the Circular No. A-11 changes is severely inhibited.

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<sup>1</sup>GAO, *DATA Act: Progress Made but Significant Challenges Must Be Addressed to Ensure Full and Effective Implementation*, [GAO-16-556T](#) (Washington, D.C.: Apr. 19, 2016).

<sup>2</sup>Office of Management and Budget, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, OMB Memorandum M-15-12 (Washington, D.C.: May 8, 2015).

<sup>3</sup>Office of Management and Budget, *Preparation, Submission, and Execution of the Budget*, OMB Circular No. A-11 (2015).

Another competing priority some agencies reported is the data requirement set forth in the Federal Acquisition Regulation (FAR). Specifically, in October 2014 the FAR was amended to standardize the format of the Procurement Instrument Identifier (PIID) that must be in effect for new awards issued beginning in October 2017.<sup>4</sup> The PIID must be used to identify all solicitation and contract actions, and agencies must ensure that each PIID used is unique government-wide for at least 20 years from the date of the contract award.<sup>5</sup> Some agencies reported that they were concerned about the amount of effort involved in also implementing the PIID for the DATA Act. For example, one agency noted that it had implemented a standard PIID and developed processes and systems to handle the new identifiers to meet the FAR requirements, but the extent of any changes necessary to implement the PIID for the DATA Act, which also requires a unique identifier, is unknown. Another agency noted that this initiative and other agency initiatives will compete for many of the same resources, including subject matter experts.

*Systems integration.* Systems integration is another challenge reported by 23 agencies in their implementation plans. Some agencies noted concerns about their systems' ability to obtain and easily submit to the Department of the Treasury (Treasury) all the data elements needed to implement the DATA Act, including the requirement to establish a unique award identification number. For example, one agency reported that it does not have a systematic link to pull data from multiple systems by a unique award ID and it does not have an automated grants management system because the agency noted that it reports grants data manually using spreadsheets. This agency noted that it needs to replace its financial system and modify supporting systems to fully comply with the DATA Act. Another agency noted that five of the required data elements are not included in its procurement and financial assistance system. As a result, the agency noted that it will have to modify its system's software to include these elements in order to comply with the DATA Act. These statements from agency implementation plans indicate that given the vast number and complexity of systems government-wide that are potentially involved in DATA Act implementation efforts, agencies may face a variety of challenges related to systems integration.

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<sup>4</sup>79 Fed. Reg. 61,739 (Oct. 14, 2014).

<sup>5</sup>See 48 C.F.R. §§ 4.1600–4.1603.

*Resources.* Limited resources are another concern reported by 22 agencies in their implementation plans. Agencies frequently identified funding and human resources as needs for efficient and effective implementation. For example, one agency noted that the execution of its implementation plan greatly depends on its receiving the requisite funding and human resources as estimated in the plan, and the agency added that delays in securing additional resources for fiscal years 2016, 2017, and beyond will have a direct impact on its DATA Act implementation and schedule. Similarly, another agency pointed out that having insufficient funds for contractor support, managing the overall implementation, testing interfaces between systems, and addressing data mapping issues will pose a challenge for its components and systems.

Some agencies also reported that human resources are key to successful DATA Act implementation. One agency reported that it is concerned about the adequacy of its human resources, which could impair its ability to comply with changes or additional DATA Act requirements. In addition, the agency added that this may prevent it from being able to address any deficiencies in its data and operations. Specifically, the agency reported that resources are required for project management, data analysis, data management, and training for financial inquiry and analysis. The need for subject matter experts, such as data architects, was raised as a challenge by another agency. Furthermore, one agency noted that the need to share limited resources for DATA Act implementation with other operational activities presents a significant challenge for its implementation strategy.

*Guidance.* In their implementation plans, 19 agencies reported the lack of adequate guidance as a challenge to implementing the DATA Act. Several agencies noted that they cannot fully determine how their policies, business processes, and systems should be modified to support DATA Act reporting because, in their view, OMB and Treasury have not yet issued complete, detailed, finalized DATA Act implementation guidance on required data elements, the technical schema, and other key policies. According to these agencies, issuance of such guidance is part of the critical path to meeting their implementation goals. For example, one agency noted that its implementation plan greatly depends on Treasury developing the technical schema for DATA Act implementation. The agency also reported that any delays or changes to Treasury requirements in the technical schema will significantly affect the agency's solution design, development and testing schedule, and cost estimate. Another agency included a list of unanswered questions in its implementation plan that it wanted OMB to address in its guidance related

to the time frames, various technical requirements, level of reporting, linking systems, and tracking and reconciling data.

*Dependencies.* Eighteen agencies reported in their implementation plans that the completion of certain implementation activities is subject to actions or issues that must be addressed by OMB and Treasury in order for the agencies to effectively implement the DATA Act. Some agencies also noted that they were relying on their shared service providers' implementation of the DATA Act for agency compliance with the act.<sup>6</sup> For example, one agency noted that it will rely on its shared service provider to enhance its system, but funding may be restricted to enhance a system that the agency does not own. Another key dependency noted in one agency's implementation plan is the need for Treasury to provide detailed information or requirements regarding the data formats, validation module, error correction and resubmission process, and testing schedule. Without this information, the agency noted that it cannot provide complete cost estimates, determine changes to system and business processes, and determine the level of effort and resources required to develop the data submissions.

*Time frames.* In their implementation plans, 16 agencies reported time constraints as a challenge in implementing the DATA Act. For example, one agency noted that the time frame to get everything done indicated in the original guidance coupled with the complexity of the known issues makes it highly unlikely that its DATA Act initiative will stay on target. The agency also noted that there is no mitigation strategy for meeting the expected deadline on all aspects of the reporting because even if all tasks were worked concurrently, the schedule is not attainable for the agency. Another agency noted that its current reporting of award and awardee information to USAspending.gov is in accordance with the Federal Funding Accountability and Transparency Act of 2006. This information is reported 3 days after the award is made for contracts and bimonthly for financial assistance, while the DATA Act requires reporting of account-level information monthly where practicable but not less than quarterly. This agency noted that linking financial information with nonfinancial information that is reported with a different frequency creates a "moving

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<sup>6</sup>A shared service provider is a third-party entity that manages and distributes software-based services and solutions to customers across a wide area network from a central data center.

target” and poses a challenge to linking the financial and nonfinancial data.

*Other challenges.* Agencies reported several other challenges in their implementation plans less frequently than the ones listed above. For example, a few agencies reported challenges related to the overall policies, procedures, and processes, such as governance, risk management, and training. Some agencies also noted challenges related to the level of detail required in DATA Act information differing from existing financial reporting processes, including the ability to reconcile information and data to sources and official records. Finally, agencies reported concerns about the quality and integrity of data in underlying agency systems and its effect on DATA Act reporting.

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## Mitigating Strategies Reported by Agencies in Their DATA Act Implementation Plans

*Leveraging existing resources.* To effectively use limited resources, some agencies noted in their implementation plans the importance of leveraging available systems and human resources by reassigning staff, using subject matter experts, and multitasking when possible to maximize efficiency. For example, one agency reported that it will leverage senior executive support to make the DATA Act implementation a priority and see what resources might be available in the “least expected places,” as well as work on tasks concurrently. In addition, agencies reported the need to update systems to encompass more data elements and streamline reporting. For example, one agency reported that it plans to designate a Chief Data Officer to oversee a multitiered review of agency data and implement solutions for consolidating agency data.

*Communication and information sharing.* In their implementation plans, some agencies reported the need for frequent communication with OMB, Treasury, shared service providers, vendors, and other agencies in order to keep one another updated on their implementation activities, as well as to share best practices and lessons learned throughout the process. Agencies also suggested that reviewing other agencies’ implementation plans for best practices, common challenges, and solutions would facilitate information sharing. For example, one agency pointed out that in its view lines of communication between Treasury and the agencies must be transparent to help ensure that the submission of financial data is accurate and the process for submitting them runs smoothly. Another agency noted that it believes that collaboration with other agencies to share common concerns will be beneficial.

*Process and policy review/adaptation.* In order to implement the DATA Act, agencies also plan to review and adapt their current processes and policies in order to incorporate the act's requirements. For example, one agency noted in its plan that it will develop a continuous process to analyze, plan, track, and control potential risks throughout DATA Act implementation. Another agency noted that it plans to align the implementation schedules for its system upgrades as closely as possible. In its plan, the agency pointed out that performing testing, independent validation and verification, and other tasks at the same time for both projects will save time. The agency's plan also noted that this strategy will minimize the burden on both agency and contractor personnel while keeping them on track to meet the required completion dates. Furthermore, agencies reported that they will conduct reviews of their business processes and procedures to find gaps and help ensure that submitted data are complete and accurate. For example, an agency noted in its plan that it will conduct reconciliations to review the data processed and ensure that the submitted data match the supporting documentation.

*Utilizing external resources.* Agencies noted plans to use external resources in implementing the DATA Act. For example, several agencies' plans noted that they plan to work closely with their shared service providers throughout the implementation process. One agency also noted that it will hire a contractor to assess cost and risk management procedures to determine their alignment with leading practices. Another agency noted that it intends to leverage access to external working groups for addressing concerns as well as decision making. Finally, one agency discussed the need to replace its current financial system in order to comply with DATA Act requirements.

*Monitoring and developing guidance.* In their implementation plans, agencies also discussed plans to closely monitor DATA Act implementation guidance in order to adapt agency implementation strategies as the guidance changes. For example, one agency noted that it will monitor and evaluate the release of DATA Act guidance as well as data elements and the technical schema in order to identify the effect on the project. Another agency noted that it plans to use its established governance structure to immediately facilitate solutions when additional guidance is provided. Further, some agencies discussed developing guidance and training materials for internal use. For example, one agency stated that it plans to create a common set of tools by establishing a "project management toolkit" for agency leaders to ensure that DATA Act implementation needs are addressed efficiently and effectively.

*Technical solutions.* Some agencies plan to utilize various technical solutions as part of their DATA Act implementation plans. For example, one agency noted in its plan that it will leverage existing technologies and processes available to extract, transform, load, and build on established and successful mappings and minimize cost and schedule impacts. Another agency's plan noted that it may use an interface file that contains both the award ID and the document number used in its financial system to crosswalk between the financial detail and the award ID in its systems. One agency also noted that it will implement business intelligence and analytics tools, including the development of automated, multiple data reconciliations where feasible. Furthermore, another agency noted that it will engage system vendors to make system changes and thereby reduce the need for future custom development. According to the agency, this strategy will help manage its initial implementation costs.

# Appendix IV: Comments from the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE CONTROLLER

July 21, 2016

Ms. Michelle Sager  
Director, Strategic Issues  
United States Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Sager:

Thank you for the opportunity to review the draft report, "DATA Act Improvements Needed in Reviewing Agency Implementation Plans and Monitoring Progress (GAO-16-698)."

Attached is OMB's response to the two recommendations in the draft report. If you have any questions, please contact me at (202) 395-3895. Your staff may contact Karen F. Lee, Branch Chief for Management Controls and Assistance Branch, at (202) 395-3993.

Sincerely,

  
David Mader  
U.S. Controller



**GAO DRAFT REPORT DATED JULY 2016  
GAO-16-698**

**“DATA Act Improvements Needed in Reviewing Agency Implementation Plans and  
Monitoring Progress”**

**THE OFFICE OF MANAGEMENT AND BUDGET COMMENTS TO THE GAO  
REPORT**

**General Comments:**

The Digital Accountability and Transparency Act (“DATA Act” or “the Act”) amends the Federal Funding and Accountability Act (“FFATA”) to include information about Federal spending on USASpending.gov. The DATA Act will allow the American public to have access to information about how taxpayer dollars are spent in an understandable, comparable, and reliable way. To achieve this new level of transparency, OMB Memorandum M-15-12 requires that Federal agencies link their financial and award-level data submissions through the use of an Award ID.

In addition to responding to the recommendations in the draft report, OMB would like to comment on a few themes present in the draft report GAO-16-698. Throughout the draft report, GAO notes that OMB and Treasury did not have documented plan for the review of the initial agency implementation plans; however, as stated in previous OMB conversations with GAO, agency implementation plans, from their inception, were to be considered in concert with the budget formulation process. OMB communicated with agencies about DATA Act implementation plans and used the plans for resource planning purposes. In order to ensure that the process for reviewing updates to implementation plans is more transparent, OMB will work to implement GAO’s second recommendation, as described below.

As noted in the draft report, following the submission of the Fall 2015 implementation plans, we continued to conduct agency-specific outreach. As OMB and Treasury reviewed Fall 2015 agency implementation plans, they became a valuable resource beyond aiding the budget formulation process. The plans were used to identify concerns, challenges, and questions raised by agencies in their initial planning for DATA Act implementation and inform our continued engagement with agency Senior Accountable Officials (SAOs) and their teams. Further, these plans provided OMB with important feedback from agencies on what additional policy guidance or clarification may be needed as agencies continued to refine their implementation approaches.

In addition to reviewing the Fall 2015 implementation plans and the outreach that followed, beginning this spring, OMB and Treasury principals met with the 24 CFO Act agencies’ SAOs to discuss agency progress towards May 2017 implementation. These discussions have served as a key touchpoint with agency leadership, where we have not only identified best practices but also potential risks and risk mitigation strategies in agencies’ implementation paths. Moving forward, we have requested and will review updates to CFO Act agencies’ implementation plans later this summer.

**Recommendation One:**

To help ensure effective government-wide implementation and that complete and consistent spending data will be reported as required by the DATA Act, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, take the following two actions related to its oversight and monitoring of agencies' progress:

- Establish or leverage existing processes and controls to determine the complete population of agencies that are required to report spending data under the DATA Act and make the results of those determinations publicly available, and
- Reassess, on a periodic basis, which agencies are required to report spending data under the DATA Act and make appropriate notifications to affected agencies.

**Response: Generally Agree with comment.**

Since the passage of the DATA Act, OMB has maintained that each agency is responsible for determining whether it is subject to the Act. This approach is consistent with the typical OMB role of providing policy guidance for agencies to implement legislation, without creating a finite list of which agencies are required to comply. As noted in the draft report, OMB does maintain a list of agencies required to complete an annual financial statement. The annual financial report is unique in this respect because, by statute OMB is required to "identif[y] the complete population of agencies that are required to report their annual audited financial information". Where the DATA Act does not require this identification, it is paramount that agencies subject to the DATA Act's requirements ensure transparency in Federal spending pursuant to the Act's provisions.

To facilitate each agency's legal determination of the Act's applicability, OMB and Treasury issued FAQ clarifying the legal framework under which an agency would be subject to appropriations account-level and award-level reporting to USASpending.gov. To support agencies' legal review, agencies may consult with OMB for additional counsel; however, the ultimate determination of legal applicability rests with each agency.

We agree that complete reporting from Federal agencies is a critical component of successful DATA Act implementation. Accordingly, since the passage of the Act, OMB has been working, and will continue to work, to assist the Federal community in meeting the requirement to report spending data, in accordance with the Act.

**Recommendation Two:**

To help ensure effective implementation of the DATA Act by the agencies and facilitate the further establishment of overall government-wide governance, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, take the following three actions related to its monitoring and use of agency implementation plans:

- Establish documented policies and procedures for the periodic review and use of agency implementation plans to facilitate and monitor agency progress against the plans,
- Request that non-CFO Act agencies required to report Federal spending data under the DATA Act submit updated implementation plans including updated timelines and milestones, cost estimates, and risks to address new technical requirement, and

- Assess whether information or plan elements missing from agency implementation plans are needed and assure all key implementation plan elements are included in updated implementation plans.

**Response: Generally Concur with comment.**

As a continuation of our review of agencies' implementation plans submitted in September 2015, OMB and Treasury have continued extensive engagement with Federal agencies, most recently through progress meetings held this spring/summer with each of the CFO Act Agencies' Senior Accountable Officials. These meetings have provided a formal forum for OMB and Treasury officials to discuss agency progress toward the May 2017 implementation date.

As follow-up to these progress meetings, OMB has requested updates to CFO Act agencies' DATA Act implementation plans by August 12, 2016. Complementing the agency progress meetings, these updates will provide a focused review of each CFO Act agencies' implementation path, charting specific actions that will need to be taken for each major implementation milestone. These updates will also highlight significant risks and the agency's risk mitigation strategy to meeting the DATA Act's requirements.

OMB agrees that a more formalized process should be established for reviewing agency updates to implementation plans and, once they are submitted, we will work to systematically report on the contents of the updates to the implementation plans. We have developed a timeline and criteria for analyzing the plan updates. We recognize the importance of these plans to the success of agency implementation and want to ensure that they are used to identify and address agency challenges in an expedited manner, in addition to highlighting best practices and resource demands.

In the timeframe remaining for DATA Act implementation, we have focused our more extensive engagement to the CFO Act agencies. The 24 CFO Act agencies represent over 90 percent of Federal spending and, given these agencies' size and complexity of their portfolios, provide us with the visibility needed to address significant implementation challenges.

To continue to proactively engage all agencies, we have established a robust strategy for a two-way dialogue across the Federal community. Through monthly Senior Accountable Official meetings, weekly government-wide conference calls with Federal agencies, multiple methods of electronic communications, government-wide Federal Council meetings, and individual agency meetings, there are extensive forums for OMB and Treasury to hear and respond to questions and challenges from the Federal community and provide additional guidance to facilitate agency implementation. In addition, OMB and Treasury have worked closely with Federal Shared Service Providers, on whom many small agencies are relying for implementation.

# Appendix V: Comments from the Department of the Treasury



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

JUL 15 2016

Ms. Paula M. Rascona  
Director, Financial Management and Assurance  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Rascona:

We appreciate the opportunity to review the Government Accountability Office's (GAO) draft report GAO-16-698 (the Draft Report) regarding the implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act).

Since the enactment of the DATA Act in May 2014, the Department of the Treasury (Treasury), in partnership with the Office of Management and Budget (OMB), has made significant progress in implementing the DATA Act. When fully implemented, the DATA Act will make it easier to understand how the Federal government spends taxpayer dollars. It will also serve as a tool for better oversight, data-driven decision-making, and innovation both inside and outside of government. We believe that better data leads to better decisions and ultimately a better government.

When we began this process two years ago, Treasury identified a number of potential implementation challenges including the transformative nature of the DATA Act, short statutory deadlines, funding constraints, and the need to consider ongoing and evolving stakeholder interests. The reporting of financial and payment information, consistent with the purposes of the DATA Act, requires the association or linkage of a myriad of disconnected data elements from hundreds of financial and management systems across the Federal enterprise to more transparently account for Federal funds. Due to these challenges, Treasury recognized that a traditional approach would not be effective. As noted in the Draft Report, we decided to use an agile approach to our DATA Act implementation, which we believe is paying off. Despite the aggressive timeline, the agile approach has allowed Treasury to provide incremental technical guidance and iterative releases of the "broker" for agencies to test data extraction and submission as early as the fall of 2015. Treasury is now on track to meet the goal of delivering the new public website and new summary level spending data in May 2017.

The Draft Report contains two recommendations.

The first recommends that the Director of OMB, in collaboration with the Secretary of the Treasury, "establish or leverage existing processes and controls to determine the complete population of agencies that are required to report spending data under the DATA Act and make the results of those determinations publicly available, and . . . reassess, on a periodic basis, which

agencies are required to report spending data under the DATA Act and make appropriate notifications to affected agencies.”

OMB, as the lead agency for DATA Act policy matters, will separately respond to this recommendation. Treasury will continue to collaborate with and assist OMB on such matters, consistent with GAO’s recommendation. However, on May 18, 2016, OMB and Treasury published guidance to help Federal agencies evaluate whether they are required to comply with the DATA Act. The guidance provides that any Federal agency submitting data that OMB posts on its SF 133 Report on Budget Execution and Budgetary Resources is required to comply with DATA Act reporting, that includes the 24 CFO Act agencies and many smaller agencies. The guidance lists examples of agencies that are required to comply with DATA Act reporting because they meet the definition of Federal agency under 5 U.S.C. 105 and submit data that OMB posts on its SF 133 Report.

The second recommends that the Director of OMB, in collaboration with the Secretary of the Treasury, “establish documented policies and procedures for the periodic review and use of agency implementation plans to facilitate and monitor agency progress against the plans, request that non-CFO Act agencies required to report federal spending data under the DATA Act submit updated implementation plans including updated timelines and milestones, cost estimates, and risks to address new technical requirements, and assess whether information or plan elements missing from agency implementation plans are needed and assure all key implementation plan elements are included in updated implementation plans.”

Since OMB is requiring the updated implementation plans, Treasury defers to OMB on a decision to expand that request to non-CFO Act agencies and on the monitoring of the completeness of each plan submitted.

Treasury has actively engaged with Federal agencies on their implementation efforts since early 2015. That engagement has been frequent and ongoing. In April 2015 Treasury held its first agency workshop, and also began conducting monthly Senior Accountable Official (SAO) calls. In July 2015, Treasury and OMB instituted a weekly office hour call to answer questions from agency staff. In addition, we conducted numerous meetings with individual agencies and various Federal councils involved with procurement, financial assistance, financial management, and information technology. We also collected questions and input from agencies through the Treasury Project Management Office inbox on an ongoing basis. Furthermore, Treasury and OMB maintain a DATA Act collaboration page on OMB’s “MAX,” an online collaboration space for Federal government employees and contractors, which provides agencies with implementation resources and guidance. Treasury also distributes a DATA Act digest, which provides a summary of recent and upcoming activities related to the DATA Act.

It was helpful to review the agency implementation plans in the fall of 2015 to identify the overarching government-wide issues of concern to agencies, although we were already aware of many of these issues due to our prior engagement with agencies. Since the fall of 2015, Treasury has communicated with agencies on many of the issues raised in the implementation plans using the various primary agency communication channels noted above. We agree that Treasury has a responsibility to monitor agency progress and remain committed to continuing that effort.

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**Appendix V: Comments from the Department  
of the Treasury**

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Toward that end, Treasury developed a monthly progress report to effectively monitor agency progress going forward. In addition, Treasury and OMB have met with the SAOs from the 24 CFO Act agencies to review the agencies' implementation progress, discuss DATA Act timelines and expectations, and discuss agencies' abilities and needs in order to meet implementation deadlines. The CFO Act agency updates to plans, in complementary fashion, may assist Treasury in monitoring agency progress. However, the review of the plans is not the primary vehicle Treasury uses to understand agencies' implementation approaches, challenges, and timelines.

Nevertheless, to the extent that Treasury undertakes a detailed review of updates to agency implementation plans in the future, Treasury will establish documented policies and procedures for its review of those plans.

Treasury values your feedback on these important issues as we continue our efforts to implement the DATA Act, and we remain committed to working with federal agencies to meet the DATA Act's requirements and objectives. Thank you again for the opportunity to review and comment on the Draft Report.

Sincerely,



David A. Lebryk  
Fiscal Assistant Secretary

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# Appendix VI: GAO Contact and Staff Acknowledgments

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## GAO Contact

Paula M. Rascona, (202) 512-9816 or [rasconap@gao.gov](mailto:rasconap@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Michael LaForge (Assistant Director); Carroll Warfield, Jr. (analyst-in-charge); Fred Evans; Thomas Hackney; Charles Jones; Diane Morris; and Laura Pacheco made major contributions to this report. Other key contributors include Peter Del Toro, Kathleen Drennan, Doreen Eng, Patrick Frey, Jason Kelly, Jason Kirwan, Leticia Pena, Carl Ramirez, Michelle Sager, Andrew J. Stephens, and James Sweetman, Jr. Additional members of GAO's Internal Working Group on the Digital Accountability and Transparency Act of 2014 also contributed to the development of this report.

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# Related GAO Products

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*DATA Act: Section 5 Pilot Design Issues Need to Be Addressed to Meet Goal of Reducing Recipient Reporting Burden.* [GAO-16-438](#). Washington, D.C.: April 19, 2016.

*DATA Act: Progress Made but Significant Challenges Must Be Addressed to Ensure Full and Effective Implementation.* [GAO-16-556T](#). Washington, D.C.: April 19, 2016.

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