Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE

Audit of the U.S. Department of Justice's Fiscal Year 2019 Compliance with the Digital Accountability and Transparency Act of 2014

Executive Summary

Audit of the U.S. Department of Justice's Fiscal Year 2019 Compliance with the Digital Accountability and Transparency Act of 2014

Objectives

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires each Office of the Inspector General to assess its department's compliance with the DATA Act. The Department of Justice Office of the Inspector General (OIG) reviewed a statistically valid sampling of the spending data submitted by the Department of Justice (Department or DOJ) to the Department of the Treasury's (Treasury) DATA Act broker submission system, which is used by agencies to upload and certify financial and award data. This system is also designed to extract data from other external source systems and automatically validate the submitted data against the DATA Act Information Model Schema.

The OIG assessed the completeness, timeliness, accuracy, and quality of the data sampled; and the Department's implementation and use of the Government-wide data standards established by the Office of Management and Budget (OMB) and Treasury.

The OIG results include both DOJ-controlled and non-DOJ-controlled data elements. Non-DOJ-controlled data elements were those data elements that were extracted or calculated by the DATA Act broker submission system or other external source systems.

Results in Brief

The OIG found that the Department complied with the DATA Act. The Department generally submitted complete, timely, accurate, and higher quality data to the DATA Act broker submission system. In addition, the Department successfully implemented and used the government-wide data standards. However, the OIG identified a deficiency in internal controls that was significant within the context of the audit objectives.

Recommendations

The OIG provided the Department six recommendations to enhance its internal controls and improve the quality of the data it submits to the DATA Act broker submission system. The Department's response to our draft report can be found in Appendix 6, and our analysis of that response is included in Appendix 7.

Audit Results

The OIG examined DOJ spending data for the period October 1, 2018, through December 31, 2018, to determine DOJ compliance with the DATA Act.

Data Submission - The Department submitted its spending data to the DATA Act broker submission system on March 19, 2019. The Department's submission consisted of these required files:

- A: Appropriations Account
- B: Object Class and Program Activity
- C: Award Financial
- D1: Procurement Awards
- D2: Financial Assistance Awards
- E: Additional Awardee Attributes
- F: Sub-award Attributes

Implementation and Use of the Government-wide Data Standards - The OIG determined that the DOJ implemented and used government-wide data standards in accordance with OMB and Treasury guidance.

Completeness, Timeliness, Accuracy, and Quality of Data - The OIG reviewed a sample of data submitted to the DATA Act broker submission system and noted overall compliance with completeness, timeliness, and accuracy of the data. However, the OIG identified a deficiency in internal controls that includes reporting inaccuracies in files B, C, D1, and D2; instances of non-linkage between financial and award data; and system limitations in the generation of file C. Applying a stratified sampling method, our statistical analysis estimated, with a 95-percent confidence level, that the overall average of errors for completeness is between 5.11 and 10.76 percent; timeliness is between 14.41 and 21.64 percent; and accuracy is between 11.32 and 16.81 percent. Based on the thresholds established by the Council of the Inspectors General on Integrity and Efficiency, Federal Audit Executive Council DATA Act Compliance Guide, our testing determined that the Department's data was of higher quality.

AUDIT OF THE U.S. DEPARTMENT OF JUSTICE'S FISCAL YEAR 2019 COMPLIANCE WITH THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014

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INTRODUCTION

Background Information

On May 9, 2014, the President signed into law the Digital Accountability and Transparency Act of 2014 (DATA Act), amending the Federal Funding Accountability and Transparency Act of 2006 (FFATA). The DATA Act amended FFATA by adding new requirements for government-wide data standards for spending information, and full publication of all spending data. The goal of the DATA Act is to provide Americans with the ability to explore, search, and better understand how the federal government spends taxpayer dollars. In addition, the DATA Act links federal spending information to federal programs, simplifies reporting requirements while improving transparency, and improves the quality of data submitted to USASpending.gov by holding agencies accountable.

The DATA Act required the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) to jointly develop government-wide data standards for spending information. In May 2015, the OMB and Treasury published 57 data standards (commonly referred to as data elements) and required Federal agencies to report financial and award data in accordance with these standards for DATA Act reporting, beginning January 2017.[1] Subsequently, and in accordance with the DATA Act, Treasury began displaying Federal agencies' data on USASpending.gov for taxpayers and policy makers in May 2017.

Treasury developed the DATA Act Information Model Schema (DAIMS), which provides technical guidance for federal agencies on the data elements, the authoritative sources of the data elements, and the reporting of the data elements. The DATA Act Information Flow Diagram in Figure 1 provides an overview of the submission of the spending data to USASpending.gov.[2]
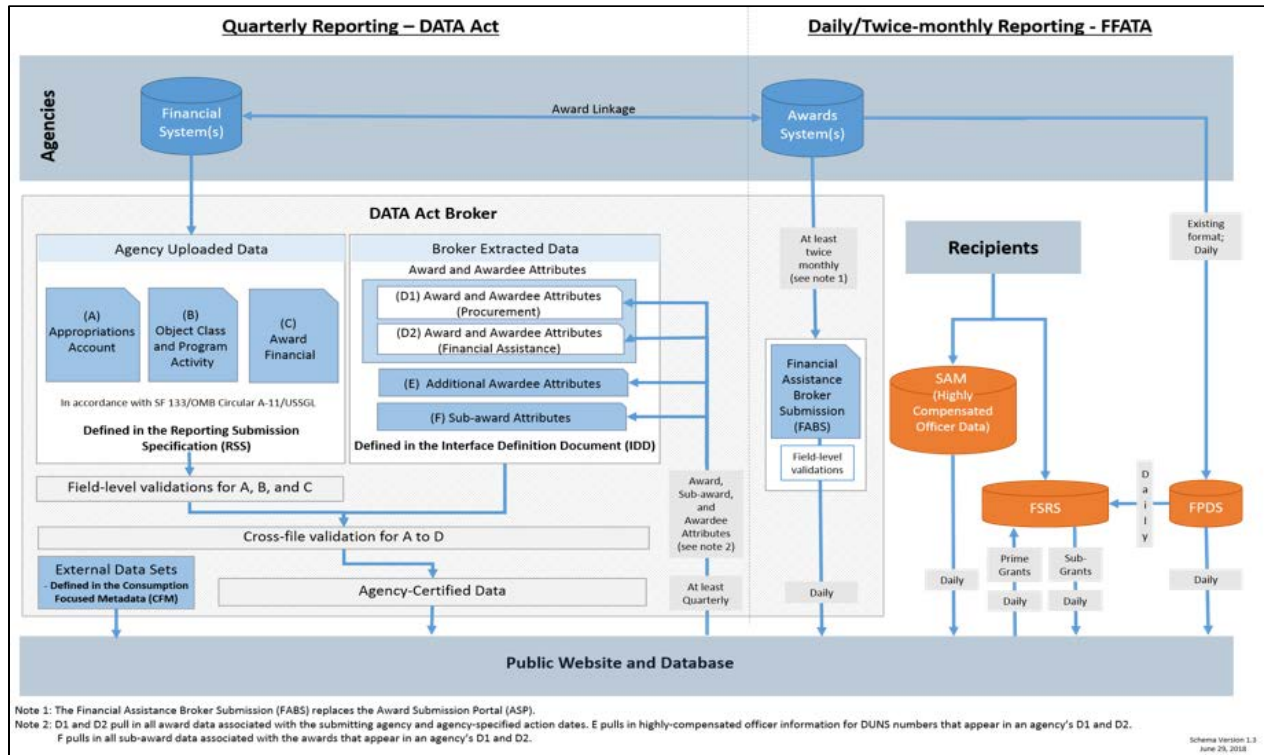
Treasury also developed the DATA Act broker submission system, which is used by agencies to upload and certify financial and award data. This system is also designed to extract data from other external source systems, and performs various validation rules against the data submitted. For data that does not meet these rules, a warning is provided before the agency certifies the data. A warning does not necessarily indicate there is an error, but is a flag of a potential error that agencies should research and correct, if necessary.

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[1] For the 57 data standards, see https://fiscal.treasury.gov/files/data-transparency/federal-spending-transparency.pdf

[2] The spending data is submitted in files A: Appropriations Account; B: Object Class and Program Activity; C: Award Financial; D1: Procurement Awards; D2: Financial Assistance Awards; E: Additional Awardee Attributes; and F: Sub-award Attributes.

Figure 1

DATA Act Information Flow Diagram

Source: Department of the Treasury. https://www.fiscal.treasury.gov/data-transparency/resources.html

The DATA Act mandates oversight by the Offices of the Inspectors General (OIG) and requires from them a series of oversight reports to include among other things, an assessment of the completeness, timeliness, accuracy, and quality of data submitted. As stated in the DATA Act, the first set of OIG reports were due to Congress in November 2016. However, this requirement presented a reporting date anomaly because federal agencies were not required to submit spending data in compliance with the DATA Act until May 2017. As a result, the OIGs were not able to review and report on the spending data submitted under the DATA Act in November 2016, as this data did not exist until the following year.

The Department of Justice (DOJ) OIG and its OIG partners, through the Council of the Inspectors General on Integrity and Efficiency (CIGIE), developed an approach to address the reporting date anomaly while maintaining early engagement with the federal agencies. CIGIE recommended a plan to provide Congress with the first required reports in November 2017, 1 year after the due date included in the statute, with subsequent reports in November 2019 and November 2021. CIGIE believed that this schedule would enable the OIGs to meet the intent of the provisions in the DATA Act by providing useful oversight and transparency, as early as possible, to the federal government's implementation of the DATA Act's requirements.

On December 22, 2015, CIGIE Chair Michael E. Horowitz (who is also the DOJ Inspector General) issued a letter on behalf of CIGIE memorializing the recommended

approach for addressing the OIG reporting date anomaly in the DATA Act and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.[3]

Previous OIG Reviews

In 2016, the DOJ OIG performed a review of the Department's DATA Act implementation plan and its progress as of August 31, 2016, in implementing Treasury's suggested Agency 8-Step Plan in order to evaluate whether the Department appeared to be on track to meet the requirements of FFATA, as amended. Our report, issued in December 2016, stated that nothing came to our attention that caused us to believe that a material modification should be made to the Department's assertion that it would be ready to implement the requirements of the DATA Act by May 2017.[4] However, we detailed five areas of concern relative to the Department's implementation progress as of August 31, 2016, that potentially could have impacted the Department's ability to most effectively meet all the requirements within the requisite timeframe.

In 2017, we performed an examination of the Department's spending data submitted on May 9, 2017, for the period January 1, 2017 through March 31, 2017. Our report, issued in November 2017, found that the Department submitted complete and timely data, and the Department successfully implemented and used the government-wide financial data standards.[5] However, the OIG identified a material weakness in internal controls that contributed to the Department being materially noncompliant with standards for the quality and accuracy of the data submitted as we noted a high error rate for accuracy, estimated between 87 and 92 percent with a 95-percent confidence level.

OIG Audit Approach

The objectives of this audit were to review a statistically valid sampling of spending data submitted by the Department and assess: (1) the completeness, timeliness, accuracy, and quality of the data sampled, and (2) the implementation and use of data standards by the Department.

To accomplish our objectives, we followed the Federal Audit Executive Council (FAEC) DATA Act Working Group's suggested methodology found in the CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act (FAEC Guide), dated February 14, 2019, to assess the Department's spending data

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[3] Appendix 5 contains a copy of this letter.

[4] U.S. Department of Justice Office of the Inspector General, *Review of the U.S. Department of Justice's Readiness to Implement the Digital Accountability and Transparency Act of 2014*, Audit Division 17-09 (December 2016).

[5] U.S. Department of Justice Office of the Inspector General, *Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014*, Audit Division 18-01 (November 2017).

submitted for the period October 1, 2018, through December 31, 2018. We reviewed and reconciled the summary-level data submitted, tested detailed record level linkages between financial and award data, and reviewed a statistically valid sample of financial and award data. In addition, we performed a detailed test for statistical projection at the data element level for each record selected in the sample. Completeness, timeliness, and accuracy was determined for each data elements in the recorded transactions. Lastly, we assessed the implementation and use of the data elements. Appendix 1 contains additional information about our audit approach.

AUDIT RESULTS

We performed tests of the Department's spending data submitted on March 19, 2019, for the period October 1, 2018, through December 31, 2018.[6] Our statistical analysis results estimated, with a 95-percent confidence level, that the overall average of errors for completeness is between 5.11 and 10.76 percent; timeliness is between 14.41 and 21.64 percent; and accuracy is between 11.32 and 16.81 percent.[7]

Although the FY 2019 audit reflected a lower estimated error rate for accuracy than in FY 2017, the results for these 2 years cannot be compared to assess improvement in data quality because the testing methodology for the FY 2019 audit was significantly different than the methodology for the FY 2017 examination.[8] Using the results of the 318 sample units tested for the FY 2019 audit, Figure 2 highlights the variation in the range of the errors for completeness, timeliness, and accuracy; for example, although 15 percent of the sample units had a 0 percent error rate for accuracy, 9 percent had error rates greater than 60 percent.

Figure 2
Range of Errors by Sample Units
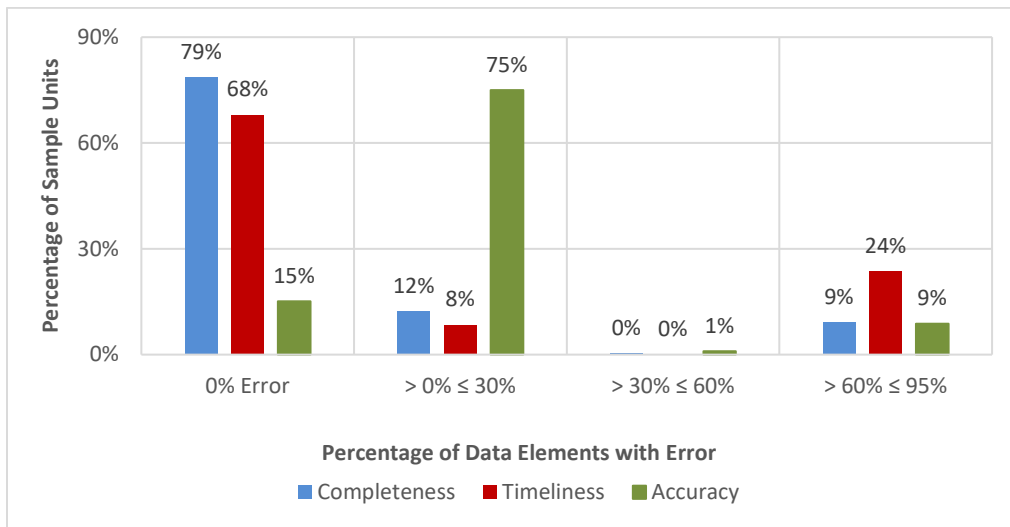
Source: DOJ OIG Analysis

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[6] The Department submitted a day earlier than the DATA Act submission due date of March 20, 2019.

[7] These results include both DOJ-controlled and non-DOJ-controlled error rates.

[8] The 2017 testing methodology used a pass-fail test in that if any one standardized data element in the sample unit was inaccurate, then the entire sample unit was considered to be inaccurate (100 percent error). The 2019 testing methodology did not use the pass-fail test, but calculated a percentage error of the data elements for each sample unit.

For the 318 selected sample units, we also calculated the error rate for accuracy by data element and determined there was significant variation ranging from 0 percent to 53 percent. Figure 3 reflects the accuracy error rates by data elements for those having an error rate of 10 percent and greater.[9]

Figure 3

Data Elements with Accuracy Error Rates 10 Percent and Greater
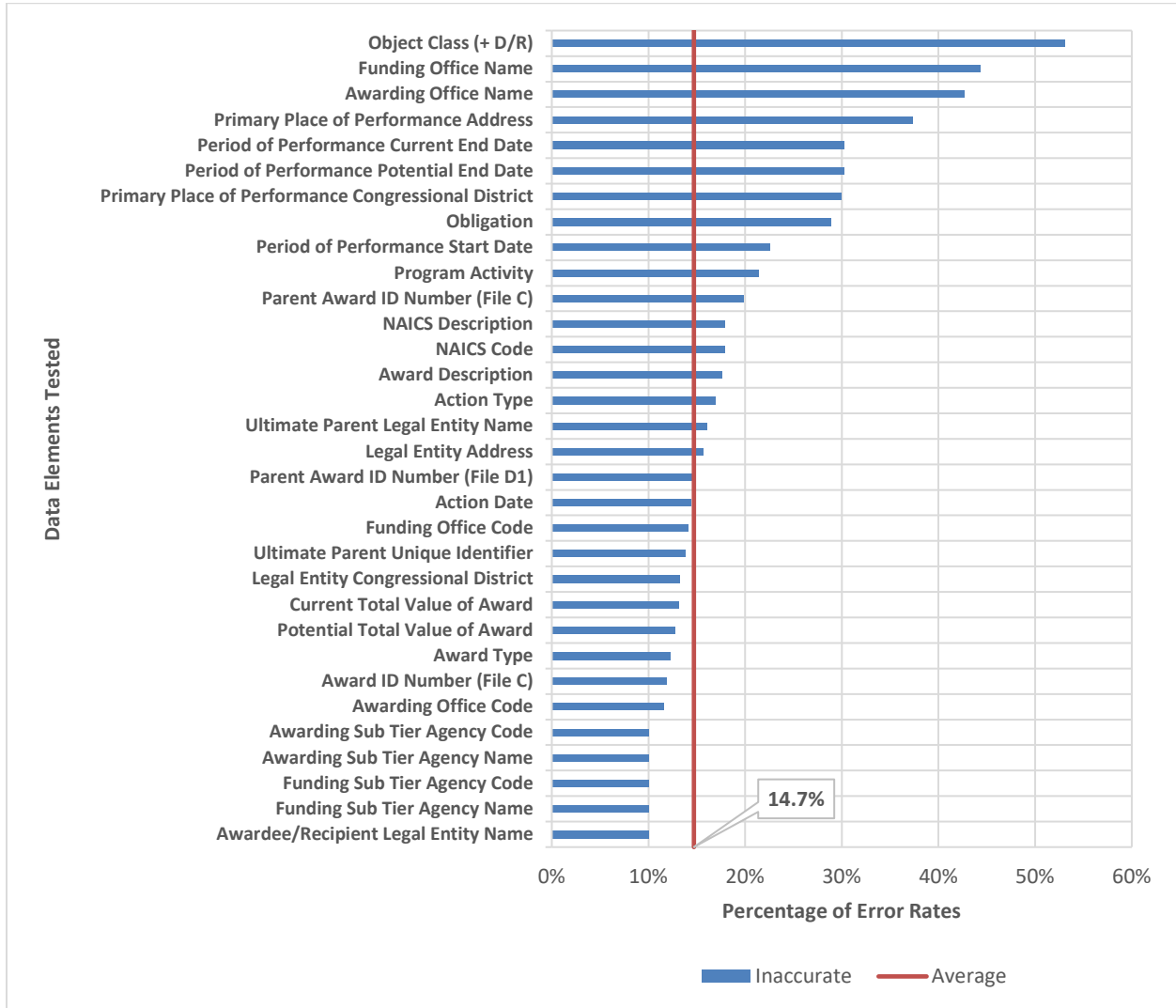
Note: The 14.7% is the average accuracy error rate of the total data elements of the sample.

Source: DOJ OIG Analysis

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[9] Appendix 3 shows the testing results for all data elements as well as the breakout of the error rates between DOJ-controlled and non-DOJ-controlled error rates. In addition, Appendix 4 shows the testing results for dollar value data elements.

The FAEC Guide provided instructions on determining quality of the data by using the midpoint of the projected range of the average percentage of errors (error rate) for completeness, timeliness, and accuracy. The highest of these three error rates was then used to determine quality. Table 1 provides the range of errors in determining the quality of the data elements. Accordingly, based on the highest error rate of 18 percent for timeliness, the Department's spending data for the period October 1, 2018, through December 31, 2018, was of higher quality. However, we identified a deficiency in the Department's internal controls that was significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affects the quality of the Department's spending data for the period October 1, 2018, through December 31, 2018.

Table 1

Determination of Data Quality

Error Rate	Quality Level
0%-20%	Higher
21%-40%	Moderate
41% and above	Lower

Source: CIGIE FAEC Inspectors General Guide to Compliance under the DATA Act

Improvements Needed over Data Quality

File B Reporting Inaccuracies

The DAIMS v1.3 specifies that the sum of lines for each Treasury Account Symbol (TAS) in file B must equal the same line for file A. The Department's file B did not match file A for 42 of 194 TASs, resulting in an error of $694.7 million for Gross Outlays; $580.6 million for Obligations Incurred; and $5.2 million for Deobligations, Recoveries, and Refunds.

There were accounting issues that were not corrected prior to the submission (on-top adjustments and other journal entries were not taken into account) and there were issues with direct and reimbursable payments that caused these discrepancies. In addition, the Department did not fully research and make all of the necessary corrections related to the validation warnings received from the DATA Act broker submission system.

Therefore we recommend Justice Management Division (JMD) ensure all accounting entry corrections are addressed prior to submission of file B. We also recommend JMD continue to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.

Inaccuracies with the Consolidation of File C

The Department's file C submitted to the DATA Act broker submission system contained inaccurate data for the Procurement Instrument Identifier (PIID), Unique Record Identifier (URI), and Program Activity Name and Code data elements due to how file C was created. File C was manually created by consolidating separate Department reporting components' file Cs. However, the consolidated file did not have sufficient character field lengths for some of the components' PIID and URI data elements, which caused these data elements to be truncated in the consolidated file. In addition, based on Department's incorrect interpretation of the DAIMS, the Department populated the Program Activity Name and Code data elements in the consolidated file with "Other/Unknown and 0000" if those fields were blank in the component files. Table 2 shows the number of inaccuracies in file C. As a result of the truncated PIIDs, procurement awards in file C in the amount of $31.4 million did not link to their respective awards in file D1.

Table 2

File C Consolidation Inaccuracies

Data elements	Number of inaccuracies
PIID	151
URI	228
Program Activity Name and Code	1,600

Source: DOJ OIG Analysis

Therefore we recommend JMD establish control activities to ensure sufficient field lengths, as permitted by the DAIMS, are used for the consolidated files, and perform additional edit checks in the consolidation process to ensure that data from the component files are accurately and completely captured in the consolidated files.

System Limitations in Generation of File C

Two data elements for approximately 10,900 procurement awards reported in the Department's file C for two components were not supported by the Department's legacy financial management system, Financial Management Information System 2 (FMIS2). These two data elements were the Direct/Reimbursable Funding Source and the PIID. These 10,900 awards made up approximately 53 percent of the Department's total procurement awards reported in file C.

OMB M-18-16 Appendix A to OMB A-123, *Management of Reporting and Data Integrity Risk* states "Agencies are required to report spending data for publication on USASpending.gov on a recurring schedule. The financial attributes must be generated by the agencies' financial system of record, which must include the

award identifier to link to the award data reported under the requirements of FFATA, as amended."

FMIS2 does not have mechanisms to capture the PIID, nor distinguish between awards that have a Direct Funding source and awards that have a Reimbursable Funding source. The Department has weighed the costs and benefits of investing additional development into FMIS2 to address these issues. However, because FMIS2 is slated to be retired in 2020, the Department does not plan to invest additional funding into the system to address these issues.

As a result of the system limitation of FMIS2, procurement awards by two components that were funded by a Reimbursable Funding Source were incorrectly reported as being funded by a Direct Funding Source in the Department's file C. In addition, the Department was not in compliance with OMB M-18-16 as the PIIDs for these two components were not included in the financial system. These issues will continue until all components have migrated to the Department's Unified Financial Management System (UFMS). Therefore we recommend JMD continue its efforts to implement UFMS in order to submit supported and accurate data.

File C Reporting Inaccuracies

During our test work of a sample of 312 procurement and 6 financial assistance awards, we noted additional reporting inaccuracies in file C noted in Table 3.[10] These inaccuracies resulted in the Department's file C to misstate obligation amounts by approximately $4.3 million, and to not be in compliance with the DAIMS instructions.

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[10] Procurement awards are identified as PIIDs and financial assistance awards are identified as FAINs.

Table 3

File C Reporting Inaccuracies

Type of Inaccuracy	Number of Inaccuracies
The obligation amount in file C disagreed with or was not supported by award documentation, or differed from the obligation amount in file D1.	66
The obligation amount in file C was incorrectly reported as a net amount of multiple procurement actions, or as the net obligation change.	45
Transactions were reported in file C that should not have been reported (e.g., payments on invoices and interest payments)	26
The unique record identifier (URI) was not reported in file C.	3

Note: The obligation amount in file C is identified as the Transaction Obligation Amount and in file D1 as the Federal Action Obligation.

Source: DOJ OIG Analysis

Due to the limitations of the Department's legacy system, FMIS2, the query to generate file C from FMIS2 was not able to generate or report data in accordance with DAIMS. In addition, supporting award documentation was not available to support some of the procurement awards reported in file C, and the Department did not fully research and make all of the necessary corrections related to the validation warnings received from the DATA Act broker submission system.

We believe these inaccuracies will be address by our two previous recommendations to continue efforts to implement UFMS and to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification.

Instances of No Linkage between Financial and Award Information

In addition to the truncated PIIDs previously noted, other procurement awards in the Department's file C submission did not link with file D1. We noted that 26 awards out of a sample of 312 procurement awards, or 8 percent, totaling $3.3 million were not reported in file D1 and thus did not link. The awards did not link due to the following reasons:

- For 16 of the 26 awards, de-obligations were recorded in the accounting system and reported in file C without supported procurement actions being processed and entered into Federal Procurement Data System-Next Generation (FPDS-NG).[11]

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[11] Due to a system weakness with FMIS2, these deobligations were allowed to be entered without supporting award documentation. However, this system weakness should be resolved upon the migration to UFMS.

- For 6 of the 26 awards, the contract actions had not been entered into FPDS-NG as of the end of our fieldwork. These contract actions were not entered into FPDS-NG by an average of 162 business days.

- For 4 of the 26 awards, the contract actions were not entered in FPDS-NG until after the DATA Act broker submission system extracted FPDS-NG data for file D1. These contract actions were not entered into FPDS-NG by an average of 128 business days.

- The Department also did not fully research and make all of the necessary corrections related to the validation warnings received from the DATA Act broker submission system.

OMB M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk* states "The financial attributes must be generated by the agencies' financial system of record, which must include the award identifier to link to the award data reported under the requirements of FFATA, as amended."

OMB MPM 2016-03 *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information* requires agencies to maintain reporting cadences in accordance with the timeframes under the Federal Acquisition Regulation (FAR) to the FPDS-NG. Per FAR 4.604, contract actions must be completed in FPDS-NG within 3 business days after contract award.

We believe these inaccuracies will be address by our two previous recommendations to continue efforts to implement UFMS and to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification. In addition, we recommend JMD ensure Department components are aware of and are following the reporting timelines for FPDS-NG as required by the FAR for procurement awards.

D1 and D2 Data Reporting Inaccuracies

During our test work of 312 procurement and 6 financial assistance awards, we noted reporting inaccuracies in files D1 and D2 due to the award data being inaccurately submitted to FPDS-NG and the Financial Assistance Broker Submission (FABS) system. This subsequently caused inaccuracies in the Department's files D1 and D2. The more significant inaccuracies are noted in Table 4.[12]

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[12] See Appendix 3 for the error rates for all data elements, which are further broken out between DOJ and non-DOJ controlled error rates.

Table 4

Files D1 and D2 Inaccuracies

File D1 and D2 Data Elements	Number of Inaccurate PIIDs[a]	Number of Inaccurate FAINs
Primary Place of Performance Address	91	3
Period of Performance Current End Date	70	
Primary Place of Performance Congressional District	69	
Period of Performance Potential End Date	68	
Period of Performance Start Date	46	
Award Description	30	
Action Date	20	
Funding Office Code & Name	19	
Action Type	15	
Awarding Office Code & Name	15	
NAICS Code & Description	14	
Award Type	13	
Legal Entity Address		3
Funding Sub Tier Agency Code & Name		3
Awarding Sub Tier Agency Code & Name		3

[a] These inaccuracies do not include the 26 PIIDS that were incorrectly omitted from file D1 or the 3 PIIDS that were not supported by award documentation.

Source: DOJ OIG Analysis

The DAIMS Interface Definition Document v1.3 explains how data elements for files D1 and D2 are extracted from interface systems by the DATA Act broker submission system to create files D1 and D2. Specifically, the DATA Act broker submission system extracts data from FPDS-NG and FABS interface systems, respectively, of which the data is the agency's responsibility.

The inaccurate data submitted to FPDS-NG and FABS occurred because the Department's contracting officers and grant officials responsible for inputting the award information were not fully knowledgeable of the definitions of the data elements or made errors in the data input. Therefore we recommend JMD instruct Department contracting officers and grant officials on the definitions of the data elements and their proper recording in FPDS-NG and FABS and emphasize the importance of accurately inputting data into FPDS-NG and FABS.

CONCLUSIONS AND RECOMMENDATIONS

The OIG found that the Department complied with the DATA Act and generally submitted complete, timely, accurate, and higher quality data to the DATA Act broker submission system for the period October 1, 2018, through December 31, 2018. In addition, the Department successfully implemented and used the government-wide data standards. However, the OIG identified a deficiency in internal controls that resulted in reporting inaccuracies in files B, C, D1, and D2; instances of non-linkage between financial and award data; and system limitations in the generation of file C.

We made six recommendations to the Department to enhance its internal controls and improve the quality of the data it submits to the DATA Act broker submission system.

Recommendations

We recommend that the Justice Management Division:

1.   Ensure all accounting entry corrections are addressed prior to submission of file B. (*Repeat*)

2.   Establish control activities to ensure sufficient field lengths, as permitted by the DAIMS, are used for the consolidated files, and perform additional edit checks in the consolidation process to ensure that data from the component files are accurately and completely captured in the consolidated files. (*New*)

3.   Continue its efforts to implement UFMS in order to submit supported and accurate data. (*Repeat*)

4.   Ensure Department components are aware of and are following the reporting timelines for FPDS-NG as required by the FAR for procurement awards. (*Repeat*)

5.   Instruct Department contracting officers and grant officials on the definitions of the data elements and their proper recording in FPDS-NG and FABS and emphasize the importance of accurately inputting data into FPDS-NG and FABS. (*New*)

6.   Continue to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions. (*Repeat*)

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to review a statistically valid sampling of spending data submitted by the Department and assess: (1) the completeness, timeliness, accuracy, and quality of the data sampled, and (2) the implementation and use of data standards by the Department.

Scope and Methodology

We defined the scope of our audit to assess the spending data for the period October 1, 2018, through December 31, 2018, and assess the implementation and use of the data standards. We followed the Council of the Inspectors General on Integrity and Efficiency, Federal Audit Executive Council, Inspectors General Guide to Compliance under the DATA Act, which includes the following procedures:

- Follow up on prior years' audit recommendations.

- Obtain an understanding of the Department's process for creating files A: Appropriations Account; B: Object Class and Program Activity; and C: Award Financial.

- Assess the internal controls over the data extraction from the Department's source systems and the submission to the DATA Act broker submission system.

- Review the Department's certification and submission process.

- Determine timeliness of the Department's submission.

- Determine completeness of summary-level data for files A and B.

- Determine whether file C is complete and suitable for sampling.

- Select a statistically valid sample from file C.

- Test detailed record-level linkages for files C and D1/D2.

- Test detailed record-level data elements for files C and D1/D2.

- Assess the quality of the data submitted based on the results of the test work conducted.

The DOJ OIG did not audit files E: Additional Awardee Attributes, and F: Sub-Award Attributes. File E of the DATA Act Information Model Schema (DAIMS) contains additional awardee attribute information the broker extracts from the System for Award Management (SAM). File F contains sub-award attribute information the broker extracts from the FFATA Subaward Reporting System (FSRS). Files E and F data remains the responsibility of the awardee in accordance with terms and conditions of Federal agreements; and the quality of this data remains the legal responsibility of the recipient. Therefore agency senior accountable officials are not responsible for certifying the quality of File E and F data reported by awardees, but they are responsible for assuring controls are in

place to verify that awardees register in SAM at the time of the award. As such, we did not assess the completeness, timeliness, accuracy, and quality of the data extracted from SAM and FSRS via the DATA Act broker submission system for files E and F.

We performed an evaluation of the summary-level data, files A and B, to evaluate whether the information that should have been reported in files A and B were reported, and contained all applicable data elements standardized under the DATA Act in order to verify completeness. We did not examine the underlying assumptions of the data, rather we reconciled the data to known, reliable sources. To verify accuracy, we compared the data in file A to the Department's SF-133, *Report on Budget Execution and Budgetary Resources*. We did not note any exceptions with this reconciliation. We then verified the accuracy of file B to the appropriation accounts listed in file A, to determine whether all appropriations were accounted for in file B. We also confirmed whether file B included all TAS by matching the main account codes and sub account codes to the records found in file A.

To select a statistically valid sample of the spending data submitted by the Department, the OIG designed a stratified random sample. Using file C, we constructed a universe of 32,353 sample units made up of PIIDs (procurement awards) and FAINs (financial assistance awards). Based on a 95-percent confidence level, expected error rate of 29.7 percent, and a sampling precision of 5 percent, we calculated a sample size of 318 sample units (312 PIIDs and 6 FAINs), which is less than 1 percent of the Department's file C universe.

We applied a stratified random sampling design to ensure that the sample units were selected from each of the Department's components that submitted records for the DATA Act requirement, and stratified the universe of 32,353 sample units into eight strata based on number of components, systems used, and types of awards issued. Additionally, in order to select representative sample units of 318 from the population of 32,353, we decided to employ a disproportionate allocation and randomly selected sample units (records) based on the percentages of unique PIIDs or FAINs, rather than percentages of records submitted by component. The disproportionate allocation is an acceptable method of stratification since the goal is to estimate DOJ's overall population error rate rather than an error rate by component. Table 5 shows the sample units for each stratum.

Table 5

Allocation of Sample Units for each Stratum

Stratum	Component	Universe Sample Units	Number of Unique PIIDs/FAINs	Percentage of Sample Units	Percentage of Unique PIIDs/FAINs	Sample Allocation
1	BOP	11,662	10,874	36%	52%	164
2	USMS	12,163	3,386	38%	16%	51
3	DEA	3,612	2,514	11%	12%	38
4	OBDs - UFMS	1,579	1,312	5%	6%	20
5	FPI	1,093	1,093	3%	5%	16
6	FBI	1,282	1,037	4%	5%	16
7	ATF	507	472	2%	2%	7
8	OJP and OBDs-FMIS2	455	420	1%	2%	6
Total		**32,353**	**21,108**	**100%**	**100%**	**318**

Source: DOJ OIG Analysis

Next, we performed detailed testing to evaluate the linkage of the award-level data, file C to files D1 or D2, in order to determine if the transactions linked to the procurement or financial assistance awards for the 318 sample units. Also, we compared the data elements in files C, D1, and D2 to the source systems and source documents, in order to determine completeness, timeliness, and accuracy of the data elements reported for each award.

For each of the 318 sample units selected from file C, we evaluated approximately 50 standardized data elements. These data elements may have also contained sub-elements (e.g., Legal Entity Address would contain the sub-elements titled Legal Entity Address, Legal Entity City Name, Legal Entity State Code, and Legal Entity Zip+4).

The statistical analysis was designed to estimate, with a 95 percent confidence level, the overall DOJ average rate of errors for each of the three dimensions (completeness, timeliness, and accuracy), and by weighing the specific dimension's error rates of each stratum using widely-used statistical techniques. The stratified sampling test results of average error rates for each of the eight strata within each of the three dimensions were computed in order to calculate the overall point estimate and confidence interval. The stratified sampling average rate of errors for the eight strata were weighted together to arrive at DOJ's overall error rates.

Table 6 shows the overall Department statistical analysis results and projections to the universe for completeness, accuracy, and timeliness.

Table 6

Overall Projections

Factor	Average Error Rate	95% Confidence Interval of the Average Error Rate
Completeness	7.94%	[5.11, 10.76]
Timeliness	18.03%	[14.41, 21.64]
Accuracy	14.07%	[11.32, 16.81]

Source: DOJ OIG Analysis

Our statistical analysis results for the Department with a 95-percent confidence level indicate that the overall average of errors with respect to completeness is between 5.11 and 10.76 percent; with respect to timeliness, it is between 14.41 and 21.64 percent; and with respect to accuracy, it is between 11.32 and 16.81 percent. In other words, our statistical analysis estimates show that the Department's data was 89.24 to 94.89 percent complete, 78.36 to 85.59 percent timely, and 83.19 to 88.68 percent accurate. Appendix 2 discusses the statistical sampling design and estimation in detail.

Separate from the statistical projection, using the test results of the selected 318 sample units, we calculated the error rates for each standardized data element, which can be found in Appendix 3. There were several data elements that were outside the control of DOJ because they were extracted or calculated by the DATA Act broker submission system or other external source systems. Although our error rates included errors of these data elements, we have separately noted them in Appendix 3.

Statement on Compliance with Generally Accepted Government Auditing Standards

We conducted this performance audit 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.

Internal Controls

In this audit we performed testing, as appropriate, of internal controls significant within the context of our audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of

operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations.[13]

As noted in the Audit Results section of this report, we identified a deficiency in the Department's internal controls that was significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affects the quality of the Department's spending data for the period October 1, 2018, through December 31, 2018.

Compliance with Laws and Regulations

In this audit we also tested, as appropriate given our audit objectives and scope, selected transactions, records, procedures, and practices, to obtain reasonable assurance that the Department's management complied with federal laws and regulations for which noncompliance, in our judgment, could have a material effect on the results of our audit. Our audit included examining, on a test basis, the Department's compliance with the DATA Act that could have a material effect on the Department's operations.

This testing included reviewing a statistically valid sampling of spending data submitted by the Department for the period October 1, 2018, through December 31, 2018. However, nothing came to our attention that caused us to believe that the Department was not in compliance with the aforementioned law.

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[13] Our evaluation of the Department's internal controls over the spending data submitted to the DATA Act broker submission system was not made for the purpose of providing assurance on its internal control structure as a whole. The Department's management is responsible for the establishment and maintenance of internal controls. Because we are not expressing an opinion on the Department's internal control structure as a whole, this statement is intended solely for the information and use of the Department. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

STATISTICAL SAMPLING DESIGN AND ESTIMATION

The statistical sampling universe for our model was defined as 32,353 sample units (records) of award-level transactions that were obligated or modified during October 1, 2018, through December 31, 2018, and submitted for the DATA Act requirement of the Department. Using a 95 percent confidence level, a 5 percent sampling precision, and an expected error rate of 29.66 percent from the OIG's 2017 DATA Act testing results, the minimum sample size was determined to be 318.

The universe was stratified into eight strata based on DOJ components' submitted sample units as well as similarities in the types of records submitted. We used each stratum's percentage of unique Procurement Instrument Identifier (PIID) and Federal Award Identification Number (FAIN) to allocate the sample size of 318 rather than the percentages of stratum sample units in order to select representative sample units from each of the components. The allocated sizes of these strata are denoted by N_h with h=1, 2 … L, where N_h is the total number of sample units in a stratum and L=8 is the number of strata. A random sample was selected independently from each of the eight strata. Table 7 provides the strata information:

Table 7

Sample Strata

Stratum	Component	Sample Unit	Number of Unique PIID/FAIN	Percentage of Sample Units	Percentage of Unique PIIDs/FAINs	Sampling Rate	Sample Size
N_1	BOP	11,662	10,874	36%	52%	1.41%	164
N_2	USMS	12,163	3,386	38%	16%	0.42%	51
N_3	DEA	3,612	2,514	11%	12%	1.05%	38
N_4	OBDs - UFMS	1,579	1,312	5%	6%	1.27%	20
N_5	FPI	1,093	1,093	3%	5%	1.46%	16
N_6	FBI	1,282	1,037	4%	5%	1.25%	16
N_7	ATF	507	472	2%	2%	1.38%	7
N_8	OJP and OBDs – FMIS2	455	420	1%	2%	1.32%	6
Total		32,353	21,108	100%	100%	0.98%	318

Source: DOJ OIG analysis

To arrive at the results, the mathematical model notations, and formulae used to compute unbiased estimates of error rates, variance, standard error and the confidence interval with stratified sampling are as follows:

N = *the total number of sample units (records) in the population*

L = *the number of strata*

h = *strata subscript, h = 1, 2,…,L*

N_h = the total number of sample units (records) in stratum h

n = the size of selected sample units (records) from the population

nh = the number of sample units (records) sampled in stratum h

i = subscript for selected sample units (records), i = 1, 2,..., nh

mi = the number of applicable data elements in a selected sample unit

ai = the number of data elements with failed test in a selected sample unit

pi = the percentage of data elements in error for a sample unit. Errors are calculated for accuracy, completeness and timeliness.

Let $\quad p_i = \dfrac{a_i}{m_i}\quad$ The error rate for a selected sample unit

$\hat{p}_h = \dfrac{\Sigma p_{ih}}{n_h}\quad$ The average error rate for stratum h

$w_h = \dfrac{N_h}{N}\quad$ The stratum weight

$\hat{p}_{st} = \sum_{h=1}^{L}(w_h)(\hat{p}_h)\quad$ The stratified sampling point estimate

$f_h = \dfrac{n_h}{N_h}\quad$ The sampling fraction for stratum h

$V(\hat{p}_h) = \dfrac{1-f_h}{n_h}\dfrac{\Sigma(p_{ih}-\hat{p}_h)^2}{(n_h-1)}\quad$ The variance for stratum h

$V\hat{a}r(\hat{p}_{st}) = \sum_{h=1}^{L}\left(w_h{}^2 V(\hat{p}_h)\right)\quad$ The stratified sampling variance

$SE(\hat{p}_{st}) = \sqrt{V\hat{a}r(\hat{p}_{st})}\quad$ The standard error

$\hat{p}_{st} \pm z_{\alpha/2}SE(\hat{p}_{st})\quad$ The confidence Interval estimate

The 95 percent confidence interval of the average error rate estimate is given by:

$$\hat{p}_{st} \pm 1.96 * SE(\hat{p}_{st})$$

Using the above mentioned stratified sampling estimation methodology, we used SAS Enterprise Guide software to compute the estimations based on the test results conducted by auditors. Table 8 is the report generated from SAS with the estimation results.

Table 8

Analysis of DOJ DATA Act Test Results for Stratified SRS

The SURVEYMEANS Procedure	
Data Summary	
Number of Strata	8
Number of Clusters	318
Number of Observations	318
Sum of Weights	32353

Stratum Information							
Stratum Index	Stratum	Population Total	Sampling Rate	N Obs	Variable	N	Clusters
1	1	11662	1.41%	164	ErrorRateIncomplete	164	164
					ErrorRateInaccurate	164	164
					ErrorRateUntimely	164	164
2	2	12163	0.42%	51	ErrorRateIncomplete	51	51
					ErrorRateInaccurate	51	51
					ErrorRateUntimely	51	51
3	3	3612	1.05%	38	ErrorRateIncomplete	38	38
					ErrorRateInaccurate	38	38
					ErrorRateUntimely	38	38
4	4	1579	1.27%	20	ErrorRateIncomplete	20	20
					ErrorRateInaccurate	20	20
					ErrorRateUntimely	20	20
5	5	1093	1.46%	16	ErrorRateIncomplete	16	16
					ErrorRateInaccurate	16	16
					ErrorRateUntimely	16	16
6	6	1282	1.25%	16	ErrorRateIncomplete	16	16
					ErrorRateInaccurate	16	16
					ErrorRateUntimely	16	16
7	7	507	1.38%	7	ErrorRateIncomplete	7	7
					ErrorRateInaccurate	7	7
					ErrorRateUntimely	7	7
8	8	455	1.32%	6	ErrorRateIncomplete	6	6
					ErrorRateInaccurate	6	6
					ErrorRateUntimely	6	6

The SURVEYMEANS Procedure					
Statistics					
Variable	DF	Mean	Std Error of Mean	95% CL for Mean	
ErrorRateIncomplete	310	0.079352	0.014337	0.05114161	0.10756247
ErrorRateInaccurate	310	0.140653	0.013958	0.11318969	0.16811687
ErrorRateUntimely	310	0.180274	0.018370	0.14412825	0.21642032

Source: DOJ OIG Analysis

RESULTS OF SAMPLE TESTING FOR ACCURACY
BY DATA ELEMENT

Data Element[a]	File(s)	Accuracy Error Rate[b]	DOJ Error Rate[c]	Non DOJ Error Rate[d]
Object Class	C	53%	53%	0%
Funding Office Name[e]	D1/D2	44%	14%	30%
Awarding Office Name[e]	D1/D2	43%	13%	30%
Primary Place of Performance Address	D1/D2	37%	37%	0%
Period of Performance Current End Date	D1/D2	30%	30%	0%
Period of Performance Potential End Date	D1	30%	30%	0%
Primary Place of Performance Congressional District	D1/D2	30%	30%	0%
Obligation	C	29%	29%	0%
Period of Performance Start Date[f]	D1/D2	23%	23%	0%
Program Activity	C	21%	21%	0%
Parent Award ID Number	C	20%	20%	0%
NAICS Description[g]	D1	18%	13%	5%
NAICS Code[g]	D1	18%	13%	5%
Award Description	D1/D2	18%	18%	0%
Action Type	D1/D2	17%	17%	0%
Ultimate Parent Legal Entity Name[h]	D1/D2	16%	9%	7%
Legal Entity Address[i]	D1/D2	16%	10%	6%
Parent Award ID Number	D1	15%	15%	0%
Action Date	D1/D2	14%	14%	0%
Funding Office Code	D1/D2	14%	14%	0%
Ultimate Parent Unique Identifier[h]	D1/D2	14%	9%	5%
Legal Entity Congressional District[i]	D1/D2	13%	9%	4%
Current Total Value of Award[j]	D1/D2	13%	9%	4%
Potential Total Value of Award[j]	D1	13%	9%	4%
Award Type	D1/D2	12%	12%	0%
Award ID Number	C	12%	12%	0%
Awarding Office Code	D1/D2	12%	12%	0%
Awarding Sub Tier Agency Code	D1/D2	10%	10%	0%
Awarding Sub Tier Agency Name	D1/D2	10%	10%	0%
Funding Sub Tier Agency Code	D1/D2	10%	10%	0%
Funding Sub Tier Agency Name	D1/D2	10%	10%	0%
Awardee/Recipient Legal Entity Name	D1/D2	10%	10%	0%
Award Modification / Amendment Number	D1/D2	9%	9%	0%
Awardee/Recipient Unique Identifier	D1/D2	9%	9%	0%
Primary Place of Performance Country Code	D1/D2	9%	9%	0%
Primary Place of Performance Country Name	D1/D2	9%	9%	0%
Award ID Number	D1/D2	9%	9%	0%
Awarding Agency Code	D1/D2	9%	9%	0%

Data Element[a]	File(s)	Accuracy Error Rate[b]	DOJ Error Rate[c]	Non DOJ Error Rate[d]
Awarding Agency Name	D1/D2	9%	9%	0%
Federal Action Obligation	D1/D2	9%	9%	0%
Funding Agency Code	D1/D2	9%	9%	0%
Funding Agency Name	D1/D2	9%	9%	0%
Legal Entity Country Code	D1/D2	9%	9%	0%
Legal Entity Country Name	D1/D2	9%	9%	0%
Appropriations Account	C	8%	8%	0%
Amount of Award	D2	0%	0%	0%
Business Types	D2	0%	0%	0%
CFDA Number	D2	0%	0%	0%
CFDA Title	D2	0%	0%	0%
Non-Federal Funding Amount	D2	0%	0%	0%
Ordering Period End Date	D1	0%	0%	0%
Record Type	D2	0%	0%	0%

Notes: The sample included 312 PIIDs and 6 FAINs.

[a] The data elements are defined at https://fiscal.treasury.gov/files/data-transparency/federal-spending-transparency.pdf.

[b] Error Rates include awards not reported in file D1 and award data not supported by award documentation.

[c] DOJ Error Rates are within the control of DOJ, and include awards not reported in file D1 and award data not supported by award documentation.

[d] Non DOJ Error Rates are outside the control of DOJ and are due to 3rd-party systems, such as the DATA Act broker submission system, FPDS-NG, etc.

[e] For the Funding and Awarding Office Names, the Non DOJ Error is due to an FPDS-NG issue.

[f] The DAIMS defines Period of Performance Start Date as the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective. For modifications of procurement awards, it is not clear whether "the award referred to" is the initial award or the modification and neither the Office of Management and Budget nor Treasury's DATA Act Program Management Office has issued guidance with specific instructions on this. Thus, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, in accordance with their internal policies and procedures/practices, it is not an error for DATA Act reporting purposes.

[g] For the NAICS Code and Description, the Non DOJ Error is due to FPDS-NG automatically linking the NAICS code to the Parent Award in cases where the Parent Award was issued by an agency other than DOJ. Thus, DOJ had no control over the NAICS entered in FPDS-NG for the Parent Award.

[h] For the Ultimate Parent Legal Entity Name and Unique Identifier, the Non DOJ Error is due to the data being extracted by the DATA Act broker submission system, which DOJ has no control over.

[i] For the Legal Entity Address and Congressional District, the Non DOJ Error is due to FPDS-NG automatically linking to the address to the Parent Award, even though the contractor address was subsequently updated in the System for Award Management.

[j] For the Current and Potential Total Value of Award, the non DOJ Error is due to an FPDS-NG procedure of how certain modifications and closeout actions are processed.

Source: DOJ OIG Analysis

RESULTS OF SAMPLE TESTING FOR
DOLLAR VALUE DATA ELEMENTS

PIID/ FAIN	Data Element	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	Federal Action Obligation	283	29	0	312	9%	$3,269,475
PIID	Current Total Value of Award	271	41	0	312	13%	$4,178,766
PIID	Potential Total Value of Award	272	40	0	312	13%	$9,701,954
PIID	Obligation Amount	220	92	0	312	29%	$4,345,948
FAIN	Federal Action Obligation	6	0	0	6	0%	$0
FAIN	Non-Federal Funding Amount	6	0	0	6	0%	$0
FAIN	Amount of Award	6	0	0	6	0%	$0
FAIN	Current Total Value of Award	0	0	6	6	0%	$0
FAIN	Obligation Amount	6	0	0	6	0%	$0

Source: DOJ OIG Analysis

**CIGIE LETTER TO CONGRESS ADDRESSING THE DATA ACT
REPORTING DATE ANOMALY**

Council of the
INSPECTORS GENERAL
on INTEGRITY *and* EFFICIENCY

December 22, 2015

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

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act "readiness reviews" at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,

Michael E. Horowitz
Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
        The Honorable Gene Dodaro, Comptroller General, GAO

JUSTICE MANAGEMENT DIVISION'S RESPONSE
TO THE DRAFT AUDIT REPORT

U.S. Department of Justice

Washington, D.C. 20530

October 21, 2019

MEMORANDUM FOR JASON R MALMSTROM
                    ASSISTANT INSPECTOR GENERAL
                    FOR AUDIT

FROM: Lee J. Lofthus
                  Assistant Attorney General
                    for Administration

SUBJECT: Response to Recommendations contained in the Office of the Inspector
                  General (OIG) Draft Report *Audit of the U.S. Department of Justice's
                  Fiscal Year 2019 Compliance with the Digital Accountability and
                  Transparency Act of 2014*

This Memorandum responds to the OIG draft report titled *Audit of the U.S. Department of
Justice's Fiscal Year 2019 Compliance with the Digital Accountability and Transparency Act of
2014.*

The Justice Management Division (JMD) recognizes the importance of ensuring the quality and
accuracy of data submitted in compliance with the Digital Accountability and Transparency Act
of 2014 (DATA Act), and appreciates the collaborative and respectful approach taken by your
staff during the audit. JMD concurs with the OIG's findings.

Since the initial 2017 DATA Act reporting submissions, JMD has worked with Departmental
components to design, document, and deploy process improvements that address
recommendations from the first OIG DATA Act audit report and implement sound controls for
the Department's reporting of spending activity. The data quality improvements since 2017
indicate the success of this approach. In addition, JMD has published a DATA Act Data Quality
Plan (DQP) in accordance with the Office of Management and Budget (OMB) Memorandum M-
18-16, *Appendix A to OMB Circular A-123, Management of Reporting Data Integrity Risk.* This
DQP addresses many of the data reporting and internal control issues and risks identified by the
original OIG audit. The latest version of the DQP, targeted for November 2019, will include
corrective action plans targeting the findings and recommendations from the OIG's 2019 draft
audit report.

JMD reviewed this draft audit report, and have prepared the following responses to the six
recommendations it contains.

OIG Recommendation 1: Ensure all accounting entry corrections are addressed prior to submission of file B.

Response: JMD concurs with this recommendation. As part of a corrective action strategy, JMD will be working with components on ways to proactively identify any discrepancies between adjusted trial balances and the financial system's general ledger, in advance of DATA Act reporting. Our notional timeframe for completion of this is Spring 2021, after completion of the DOJ components' migration to the Unified Financial Management System (UFMS).

OIG Recommendation 2: Establish control activities to ensure sufficient field lengths, as permitted by the DAIMS, are used for the consolidated files, and perform additional edit checks in the consolidation process to ensure that data from the component files are accurately and completely captured in the consolidated files.

Response: JMD concurs with this recommendation. JMD has implemented manual controls in the quarterly DATA Act file consolidation process, and created a standard procedure to ensure accurate consolidation. In addition, JMD is developing an automated consolidation process that will reinforce the manual controls. The manual process is in place, and an automated process is estimated to be in operation by the end of Fiscal Year 2020.

OIG Recommendation 3: Continue its efforts to implement UFMS in order to submit supported and accurate data.

Response: JMD concurs with this recommendation. The migration of remaining components to UFMS (with the exception of the Federal Prison Industries) is planned for October 2020.

OIG Recommendation 4: Ensure Department components are aware of and are following the reporting timelines for FPDS-NG as required by the FAR for procurement awards.

Response: JMD concurs with this recommendation. The JMD Finance Staff will work with the Department's Office of Acquisition Management (OAM) and the JMD Internal Review and Evaluation Office (IREO) to ensure that components meet FAR reporting requirements. In addition, JMD is developing a set of best practices, standardized extraction logic, and automated analytics that will assist components in monitoring FPDS-NG reporting compliance and synchronization with UFMS. We estimate the issuance of best practices and automated analytics by the end of Fiscal Year 2020.

OIG Recommendation 5: Instruct Department contracting officers and grant officials on the definitions of the data elements and their proper recording in FPDS-NG and FABS and emphasize the importance of accurately inputting data into FPDS-NG and FABS.

Response: JMD concurs with this recommendation. As with the reporting timeline recommendation above, JMD will share the OIG report's findings and work with OAM and IREO to highlight areas that need particular attention and improvement. This information will be shared with contracting officers by January 2020. JMD will also provide similar information to the Department's grant-making components, also by January 2020.

OIG Recommendation 6: Continue to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.

Response: JMD concurs with this recommendation. Components review all warnings, and implement a risk-based approach to correcting data. In addition, JMD reviews all warning reports generated from the DATA Act broker during file testing, and works with the components to remediate any issues it discovers that have not been previously identified by the components. In DOJ's DQP, which is an evolving document, DOJ will use a risk-based approach, in accordance with OMB Circular A-123, Appendix A, to prioritize approaches for addressing any data quality issues identified through broker warnings. The next iteration of the DQP, targeted for November 2019, will identify risk-based approaches to data quality improvement strategies.

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The OIG provided a draft of this audit report to the Justice Management Division (JMD). JMD's response is incorporated in Appendix 6 of this final audit report. In response to our audit report, JMD concurred with our recommendations and discussed the actions it will implement in response to our findings. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for JMD:

1. **Ensure all accounting entry corrections are addressed prior to submission of file B.** (*Repeat*)

   Closed. JMD concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 3 of the FY 2017 Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014 (OIG Report No. 18-01).

2. **Establish control activities to ensure sufficient field lengths, as permitted by the DAIMS, are used for the consolidated files, and perform additional edit checks in the consolidation process to ensure that data from the component files are accurately and completely captured in the consolidated files.** (*New*)

   Resolved. JMD concurred with our recommendation. JMD stated in its response that it has implemented manual controls in the quarterly DATA Act file consolidated process and created a standard procedure to ensure accurate consolidation. In addition, JMD is developing an automated consolidation process that will reinforce the manual controls.

   This recommendation can be closed when subsequent audit testing verifies that control activities have been established to ensure data from the component files are accurately and completely captured in the consolidated files.

3. **Continue its efforts to implement UFMS in order to submit supported and accurate data.** (*Repeat*)

   Closed. JMD concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 7 of the FY 2017 Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014 (OIG Report No. 18-01).

4. **Ensure Department components are aware of and are following the reporting timelines for FPDS-NG as required by the FAR for procurement awards.** (*Repeat*)

   <u>Closed.</u> JMD concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 2 of the FY 2017 Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014 (OIG Report No. 18-01).

5. **Instruct Department contracting officers and grant officials on the definitions of the data elements and their proper recording in FPDS-NG and FABS and emphasize the importance of accurately inputting data into FPDS-NG and FABS.** (*New*)

   <u>Resolved.</u> JMD concurred with our recommendation. JMD stated in its response that it will work with the Department's Office of Acquisition Management and the JMD Internal Review and Evaluation Office to highlight areas that need particular attention and improvement by January 2020.

   This recommendation can be closed when subsequent audit testing verifies that data elements are accurately inputted into FPDS-NG and FABS.

6. **Continue to review and correct, as necessary, all validation warnings generated by the DATA Act broker submission system prior to submission and SAO certification, to ensure that the data submitted is accurate, and in compliance with the DAIMS instructions.** (*Repeat*)

   <u>Closed.</u> JMD concurred with our recommendation. Because this is a repeat, we are closing this recommendation and tracking the status of corrective action through recommendation No. 6 of the FY 2017 Examination of the U.S. Department of Justice's Compliance with the Federal Funding Accountability and Transparency Act of 2006, as Amended by the Digital Accountability and Transparency Act of 2014 (OIG Report No. 18-01).

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