Why GAO Did This Study

Across the federal government, agencies are making final preparations to submit the required data by the DATA Act’s May 2017 deadline. This represents the culmination of almost 3 years of effort by OMB, Treasury, and federal agencies to address many policy and technical challenges. Moving forward, attention will increasingly focus on another critical goal of the act: improving the quality of the data produced.

Consistent with GAO’s mandate under the act, this is the latest in a series of reports reviewing the act’s implementation. This report examines (1) risks to data quality related to known material weaknesses and other deficiencies previously identified by GAO, IGs, and external auditors; (2) risks to data quality related to challenges in operationalizing policy and technical guidance; (3) agencies’ assurances of the quality of their data submissions; and (4) efforts taken to establish a data governance structure. GAO reviewed DATA Act implementation documents and auditors’ reports on known challenges and interviewed staff at OMB, Treasury, and other agencies.

What GAO Recommends

GAO recommends that the Director of OMB ensures that the Data Standards Committee publicly releases information about the topics of its proceedings and any resulting outcomes. OMB generally agreed with GAO’s recommendation.

Challenges with guidance will impact data quality. Challenges related to how agencies report certain intragovernmental transactions, reconcile recipient outcomes would facilitate consultation with stakeholders, as required by the act.

What GAO Found

Internal control weaknesses and other challenges pose risks to data quality. Material weaknesses and significant deficiencies reported in agencies’ financial audits and other challenges reported in Inspectors General (IG) readiness review reports show several widespread and longstanding issues that present risks to agencies’ abilities to submit quality data as required by the Digital Accountability and Transparency Act of 2014 (DATA Act). These issues fall into three categories: (1) accounting and financial management, (2) financial management systems, and (3) information technology security and controls. GAO has also reported weaknesses and challenges in government-wide financial management systems used for DATA Act reporting.

Challenges with guidance will impact data quality. Challenges related to how agencies report certain intragovernmental transactions, reconcile recipient information, and align required DATA Act files with missing data continue to present risks to the quality of data displayed on USASpending.gov. The Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have stated that they do not expect to resolve these challenges before the May 2017 reporting deadline. Unresolved challenges affecting data quality could lead policymakers and the public to draw inaccurate conclusions from the data. This challenge underscores the need for OMB to address GAO’s open recommendation that it provide agencies with additional guidance to address data quality issues. GAO will continue to assess how OMB, Treasury, and agencies address data quality issues moving forward.

Limitations exist with data quality assurance processes. OMB guidance directs senior accountable officials at each agency to rely on existing assurance processes when they certify that their agencies’ DATA Act submissions are valid and reliable. However, GAO identified concerns regarding some existing assurance processes. For example, OMB directed agencies to use a General Services Administration assurance statement attesting to the quality of data in two source systems, but the assurance statement focuses on data security rather than data quality, and it is unclear whether it applies to both procurement and financial assistance data. OMB is aware of these issues and expects to finalize the assurance process in time for the May 2017 reporting deadline. Accordingly, GAO is not making a recommendation at this time but will assess the quality of the assurance process in future work.

Efforts to establish a data governance structure are still at an early stage. OMB has taken some actions to improve its data governance framework, but efforts to establish a fully functioning data governance structure are at an early stage with many specifics yet to be worked out. OMB formally chartered the Data Standards Committee as an advisory body in November 2016 to focus on clarifying existing data element definitions and identifying needs for new standards. The charter states that the committee will promote transparency by making the topics and outcomes of its proceedings public, but OMB has not kept records of the committee’s meetings nor has the committee produced a work plan for moving forward. Public information about the committee’s activities and outcomes would facilitate consultation with stakeholders, as required by the act.