



Testimony

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Committee on Oversight and Government Reform, House of Representatives

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DATA ACT

Progress Made in Initial Implementation but Challenges Must be Addressed as Efforts Proceed

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Highlights of [GAO-15-752T](#), a testimony before the Subcommittees on Information Technology and Government Operations, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The DATA Act directs OMB and Treasury to establish government-wide data standards by May 2015. The act also requires agencies to begin reporting financial spending data using these standards by May 2017 and to post spending data in machine-readable formats by May 2018. This statement is part of a series of products that GAO will provide the Congress as the DATA Act is implemented.

This statement discusses four DATA Act implementation areas to date: (1) establishment of government-wide data standards; (2) OMB and Treasury's effort to establish a governance structure and obtain stakeholder input; (3) the status of the potential transfer of the ROC's assets to Treasury; and (4) the pilot program to reduce reporting burden. GAO reviewed the first 15 data elements finalized under the act; analyzed key documents, technical specifications and applicable guidance; interviewed OMB, Treasury, HHS, and other staff as well as officials from organizations representing non-federal stakeholders; and reviewed literature.

What GAO Recommends

GAO recommends that OMB accelerate efforts to merge DATA Act purposes with the production of a federal program inventory under GPRAMA, and that OMB and Treasury (1) establish policies and processes for a governance structure to maintain the integrity of data standards over time and (2) enhance policies and procedures to provide for ongoing and effective two-way dialogue with stakeholders. OMB staff, Treasury officials, and others provided technical comments which GAO incorporated as appropriate.

View [GAO-15-752T](#). For more information, contact J. Christopher Mihm, 202-512-6806, mihmj@gao.gov.

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What GAO Found

Since the Digital Accountability and Transparency Act (DATA Act) became law in May 2014, the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) have taken significant steps towards implementing key provisions. These steps include the release of 27 data standards, draft technical documentation, and implementation guidance to help federal agencies meet their responsibilities under the act. However, given the complexity and government-wide scale of activities required by the DATA Act, much more remains to be done.

Data standards. OMB and Treasury have proposed standardizing 57 data elements for reporting under the act. They released 15 elements on May 8, 2015, a year after the passage of the act, and have since released 12 more. Eight of the first 15 were new elements required under the DATA Act; the balance were required under the Federal Funding Accountability and Transparency Act of 2006. GAO identified several issues that may impact the quality and ability to aggregate federal spending data. For example, GAO found: (1) the data standards may not provide a complete picture of spending by program unless OMB accelerates its efforts to produce an inventory of federal programs as required under the GPRA Modernization Act of 2010 (GPRAMA); (2) the data standards and elements may not yet represent all that are necessary to fully capture and reliably report on federal spending; and (3) the draft technical specifications GAO reviewed may result in the reporting of inconsistent information. GAO shared its observations with officials who are considering revisions and updating their technical documentation.

Governance and stakeholder engagement. OMB and Treasury have made progress in initial implementation activities by developing structures for project management and data governance as well as for obtaining stakeholder input. However, GAO found that additional effort to address the whole lifecycle of standards development will be needed to ensure that the integrity of data standards is maintained over time. Establishing these policies and procedures now could provide an opportunity for OMB and Treasury to build on existing efforts to reach out to stakeholders by taking steps to foster effective two-way communication to help ensure that the concerns of interested parties are responded to and addressed as appropriate on an ongoing and timely basis.

Recovery Operations Center (ROC). GAO's review of the potential transfer of the ROC's assets found that Treasury does not plan to assume these assets because of a number of impediments. Instead, Treasury has focused on facilitating information sharing between the ROC and Treasury's Do Not Pay initiative, which assists agencies in preventing improper payments. GAO has ongoing work on this issue and plans to issue a report later this year.

Reporting burden pilot. The DATA Act requires OMB to establish a 2-year pilot program to develop recommendations for reducing reporting burden for recipients of federal awards. The pilot was launched this May with the initiation of a national dialogue on reducing reporting burden, building of an online repository of common grants-related data elements, and addition of grants-related resources on Grants.gov. GAO also has ongoing work focusing on this pilot.

Chairman Hurd, Ranking Member Kelly, Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittees:

Thank you for the opportunity to discuss the status of implementation of the Digital Accountability and Transparency Act of 2014 (DATA Act) and to share our observations regarding the progress that has been made to date and key challenges going forward.¹ I would like to begin by commending you, along with the full Committee, for your sustained leadership on data transparency and accountability issues. Given the scope and complexity of the changes required by the DATA Act across the federal government, regular oversight from the Congress is key, particularly early on in the act's multi-year implementation phase. As I testified before the full Committee last December, early planning accompanied by careful oversight can help build a solid foundation so that key provisions of the DATA Act are effectively implemented in a timely manner.²

The DATA Act directs the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) to establish government-wide data standards by May 2015. The act also requires agencies to begin reporting financial spending data using these standards by May 2017 and to post spending data on USASpending.gov or an alternate system by May 2018.³ OMB and Treasury have taken several significant steps towards meeting these requirements including the release of 27 discrete data standards, draft technical specifications, and implementation

¹Pub. 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, as amended, at 31 U.S.C. § 6101 note*). The stated purposes of the act include: (1) increasing transparency by expanding FFATA to disclose federal agency spending and to link federal contract, loan, and grant spending information to federal programs; (2) establishing government-wide data standards for financial data and providing consistent, reliable, and searchable government-wide spending data, which are to be displayed accurately on USASpending.gov or a successor system; (3) simplifying reporting for entities receiving federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency; (4) improving the quality of data submitted to USASpending.gov by holding federal agencies accountable for the completeness and accuracy of the data submitted; and (5) applying approaches developed by the Recovery Accountability and Transparency Board to spending across the federal government.

²GAO, *Federal Data Transparency: Effective Implementation of the DATA Act Would Help Address Government-wide Management Challenges and Improve Oversight*, GAO-15-241T (Washington, D.C.: Dec. 3, 2014).

³FFATA, § 4(a), (c).

guidance intended to help federal agencies meet their responsibilities under the act. However, given the government-wide scope of the technical and cultural reforms required by the DATA Act, much more remains to be done.

Our previous work has demonstrated why it is so important for the DATA Act to be implemented effectively.

- First, we have reported that a lack of government-wide data standards limits the ability to measure the cost and magnitude of federal investments and hampers efforts to share data across agencies in order to improve decision making and oversight.⁴ For example, our work examining fragmentation, overlap, and duplication in federal government programs has demonstrated the need for more reliable and consistent federal data, which the DATA Act, if fully implemented, should produce.⁵
- Second, our work examining the implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act)⁶ stressed the importance of obtaining input from federal agencies, fund recipients, and subrecipients early in the development of new transparency reporting systems to ensure accurate and complete data and minimize reporting burden.⁷
- Third, our prior work has found persistent challenges related to the quality and completeness of the spending data agencies report to USA Spending.gov.⁸ For example, we reported in June 2014 that roughly \$619 billion in assistance awards were not properly reported in fiscal year 2012. In addition, few reported awards—between 2 and

⁴GAO-15-241T.

⁵GAO, *2015 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-15-404SP (Washington, D.C.: Apr. 14, 2015).

⁶Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

⁷GAO, *Federal Data Transparency: Opportunities Remain to Incorporate Lessons Learned as Availability of Spending Data Increases*, GAO-13-758 (Washington, D.C.: Sept. 12, 2013).

⁸GAO, *Data Transparency: Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website*, GAO-14-476 (Washington, D.C.: June 30, 2014) and *Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006*, GAO-10-365 (Washington, D.C.: Mar. 12, 2010).

7 percent—contained information that was fully consistent with agency records for all 21 data elements we examined.

In that regard, I would like to underscore the vital importance of building the necessary agency capacities to implement such standards. The best standards in the world will be of little value if agencies are not prepared to collect and report quality data in conformance with those standards.

As you know, 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. Consistent with these requirements, we are committed to assisting congressional oversight by being a continuing presence to monitor OMB, Treasury, and federal agencies' actions as data standards are developed and implemented, and to work with inspectors general to ensure an efficient and effective audit process is in place to help ensure data quality. Toward that end, we plan to provide congressional and executive branch decision makers with information and recommendations, as appropriate, throughout the DATA Act implementation process.

Our overall oversight approach is structured around two high-level themes: the first focuses on issues and challenges related to the design and implementation of the act's provisions, and the second concerns opportunities and challenges related to the different uses of the information collected under the act. These themes are drawn from a variety of sources including the DATA Act's stated purposes, our prior work on federal data transparency and the implementation of the Recovery Act, and key oversight and management challenges. We have three evaluations already underway examining different aspects of DATA Act implementation.⁹ We have also been coordinating closely with federal inspectors general to leverage information and reduce duplication of effort as they conduct reviews and develop common audit guidance and practices. As part of this effort, we will work with our inspectors general colleagues to ensure sufficient attention is being devoted to agencies' capacity to meet their responsibilities under the act.

⁹These engagements address the following topics: (1) OMB's and Treasury's development and implementation of government-wide financial data standards; (2) OMB's and others' design and implementation of the pilot to reduce recipient reporting burden required under the act; and (3) the status of the Recovery Board's Recovery Operations Center.

My testimony today will address four topics related to implementation of the DATA Act to date: (1) issues regarding the establishment of government-wide data standards; (2) observations regarding key components underlying successful implementation of the act including establishing structures for project management and data governance and obtaining and incorporating stakeholder input; (3) the status of the potential transfer of the Recovery Operations Center's (ROC) assets to Treasury;¹⁰ and (4) actions taken related to the required pilot program on reducing recipient reporting burden.

For this statement, we analyzed the definitions of the first 15 finalized data elements released on May 8, 2015, technical specifications, and applicable guidance related to implementation of the DATA Act; reviewed relevant literature including our previous reports in the areas of the federal budget, federal financial reporting, change management, and collaborative practices; interviewed OMB, Treasury, and U.S. Department of Health and Human Services (HHS) officials responsible for implementing key provisions of the act; and interviewed Recovery Board officials as well as officials from organizations representing key non-federal stakeholders including state and local governments and other federal fund recipients. We conducted this performance audit from May 2015 to July 2015 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.

¹⁰These assets are eligible to be transferred to Treasury under the DATA Act. The ROC is overseen by the Recovery Accountability and Transparency Board (Recovery Board) which was originally created by the Recovery Act.

Continued Attention Is Needed To Ensure Consistency, Comparability, and Completeness of Data Standards

The DATA Act requires OMB and Treasury to establish government-wide financial data standards for the specific items to be reported under the act. These specific items are generally referred to as “data elements.” The standards for these data elements consist of two distinct but related components as described in the text box:

- Definitions which describe what is included in the element with the aim of ensuring that information will be consistent and comparable.
- Technical specifications on the format, structure, tagging, and transmission of each data element. OMB and Treasury have developed a data exchange, also known as a technical schema, which is intended to provide a comprehensive view of the data definitions and their relationships to one another.

Source: GAO analysis of OMB and Treasury Documents. | GAO-15-752T

OMB and Treasury have proposed standardizing 57 data elements for reporting under the act. They released 15 elements in May 2015, a year after the passage of the act, and have since released 12 more. Eight of these were new elements required under the DATA Act; the balance of the first 15 data elements were required under the Federal Funding Accountability and Transparency Act of 2006 (FFATA). Figure 1 provides a list of these data elements and their roll-out schedule. Officials told us that they expect to complete the process by the end of the summer.

Figure 1: Detailed Listing of 57 Data Elements to be Established under the DATA Act (as of July 2015)

15 Elements Definitions finalized on May 8, 2015	<ul style="list-style-type: none"> ▶ Appropriations Account ▶ Awarding Agency Code ▶ Awarding Agency Name ▶ Budget Authority Appropriated ▶ Highly Compensated Officer Name ▶ Highly Compensated Officer Total Compensation ▶ North American Industrial Classification System Code ▶ North American Industrial Classification System Description ▶ Object Class ▶ Obligation ▶ Other Budgetary Resources ▶ Outlay ▶ Program Activity ▶ Treasury Account Symbol ▶ Unobligated Balance
8 Elements Definitions finalized on June 26, 2015	<ul style="list-style-type: none"> ▶ Award Description ▶ Award Identificaton Number ▶ Award Modification/ Amendment Number ▶ Legal Entity Address ▶ Legal Entity Congressional District ▶ Legal Entity Country Code ▶ Legal Entity Country Name ▶ Parent Award Identification Number
4 Elements Definitions finalized on July 10, 2015	<ul style="list-style-type: none"> ▶ Awardee/Recipient Legal Entity Name ▶ Awardee/Recipient Unique Identifier ▶ Ultimate Parent Legal Entity Name ▶ Ultimate Parent Unique Identifier
30 Elements Definitions not finalized and public input open	<ul style="list-style-type: none"> ▶ Action Date ▶ Awarding Office Code ▶ Awarding Office Name ▶ Awarding Sub Tier Agency Code ▶ Awarding Sub Tier Agency Name ▶ Business Type ▶ Catalog of Federal Domestic Assistance (CFDA) Number ▶ CFDA Title ▶ Current Total Funding Obligation Amount on Award ▶ Current Total Value of Award ▶ Funding Action Obligation ▶ Funding Agency Code ▶ Funding Agency Name ▶ Funding Office Code ▶ Funding Office Name ▶ Funding Sub Tier Agency Code ▶ Funding Sub Tier Agency Name ▶ Non-federal Funding Amount ▶ Ordering Period End Date ▶ Period of Performance Current End Date ▶ Period of Performance Potential End Date ▶ Period of Performance Start Date ▶ Potential Total Value of Award ▶ Primary Place of Performance Address ▶ Primary Place of Performance Congressional District ▶ Primary Place of Performance Country Code ▶ Primary Place of Performance Country Name ▶ Record Type ▶ Type of Action ▶ Type of Transaction Code

Source: GAO analysis of Office of Management and Budget and Treasury plans for establishing government-wide data standards under the DATA Act. | GAO-15-752T

Further Guidance Will Be Needed to Ensure Consistency and Comparability of Program-Related Data

The DATA Act requires the establishment of standards that produce consistent and comparable data across programs, agencies, and time. We reviewed the first set of 15 data standards finalized by OMB and Treasury in May 2015. We found that most of the elements adhere to the definitions used in widely accepted government standards such as OMB Circular A-11 and the Census Bureau's North American Industry Classification System.¹¹ For example, as required by the DATA Act, OMB and Treasury provided a standard for "program activity" and finalized the definition as "a specific activity or project listed in the program and financing schedules of the annual budget of the United States Government."

Program activities are a long-standing reporting structure in the federal budget and are intended to provide a meaningful representation of the operations funded by a specific budget account. Therefore, program activities can be mission or program focused. For example, the Federal Emergency Management Agency's program activities include "Response," "Recovery," and "Mitigation," and the Environmental Protection Agency's program activities include "Clean and Safe Water" and "Healthy Communities and Ecosystems."

Program activities can also be organized by type of personnel such as Officers, Enlisted, and Cadets, in the Army's Military Personnel Account, or by organizational unit such as the National Cancer Institute, and National Heart, Lung, and Blood Institute in the National Institutes of Health. As the examples illustrate, OMB and Treasury will need to build on the program activity structure and provide agencies with guidance if they are to meet the stated purpose of the DATA Act to "link federal contract, loan, and grant spending information to federal programs to enable taxpayers and policy makers to track federal spending more effectively." To underscore the differences between program activities and programs, our September 2005 *Glossary of Terms Used in the Federal Budget Process* defines a program as "an organized set of

¹¹We provided OMB and Treasury with a technical analysis and related questions on the 15 data standards. We also met with OMB and Treasury to discuss our observations. In some cases, they acknowledged the need for additional guidance or to provide a link to more detail; in other cases, they said they will continue to consider the issues we raised.

activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities.”¹²

The GPRA Modernization Act of 2010 (GPRAMA), among other things, requires OMB to make publicly available, on a central government-wide website, a list of all federal programs identified by agencies.¹³ For each program, the agency is to provide to OMB for publication an identification of how the agency defines the term “program,” consistent with OMB guidance, including program activities that were aggregated, disaggregated, or consolidated to be considered a program by the agency; a description of the purposes of the program and how the program contributes to the agency’s mission and goals; and an identification of funding for the current fiscal year and the previous 2 fiscal years.

Effective implementation of both the DATA Act and GPRAMA’s program inventory provisions, especially the ability to crosswalk spending data to individual programs, could provide vital information to assist federal decision makers in addressing significant challenges the government faces. As our annual reports on fragmentation, overlap, and duplication have highlighted, creating a comprehensive list of federal programs along with related funding and performance information is critical for identifying potential fragmentation, overlap, or duplication among federal programs or activities.¹⁴ The lack of such a list makes it difficult to determine the scope of the federal government’s involvement in particular areas and the results it is achieving, and therefore, where action is needed to eliminate, reduce, or better manage fragmentation, overlap, or duplication. Until these steps are taken and linked to the appropriate program activity data element, OMB and Treasury will be unable to provide a complete picture of spending by federal programs as required under the act.

Our recent work reviewing implementation of GPRAMA identified a number of challenges related to executive branch efforts to identify and

¹²GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington, D.C.: September, 2005).

¹³See 31 U.S.C. § 1122(a).

¹⁴See, for instance, GAO-15-404SP.

define federal programs.¹⁵ OMB staff explained that a one-size-fits-all approach does not work well; agencies and their stakeholders use the term “program” in different ways because agencies achieve their missions through different programmatic approaches. Therefore, OMB issued guidance allowing agencies flexibility to define their programs using different approaches, but within a broad definition of what constitutes a program—a set of related activities directed toward a common purpose or goal. Not surprisingly, our October 2014 report reviewing implementation of GPRAMA’s program inventory requirements showed that agencies did indeed use different approaches to define their programs. We reported that these differences limited the comparability of programs within and across agencies.

We made related recommendations in our October 2014 report aimed at improving the completeness and comparability of the program inventory. In commenting on that report, OMB staff generally agreed with those recommendations. According to OMB staff, as of June 2015 they have not taken any actions to address these recommendations, because implementation of the program inventory requirements remains on hold as OMB determines how best to merge that effort with implementation of the DATA Act. One approach could be for OMB to explore ways to improve the comparability of program data by using tagging or similar approaches that allow users to search by key words or terms and combine elements based on the user’s interests and needs. This merging could help ensure consistency in the reporting of related program-level spending information. As a result, we recommend the following:

Recommendation for Executive Action

To ensure that federal program spending data are provided to the public in a transparent, useful, and timely manner, we recommend that the Director of OMB accelerate efforts to determine how best to merge DATA Act purposes and requirements with the GPRAMA requirement to produce a federal program inventory.

¹⁵GAO, *Government Efficiency and Effectiveness: Inconsistent Definitions and Information Limit the Usefulness of Federal Program Inventories*, GAO-15-83 (Washington, D.C.: Oct. 31, 2014).

Data Standards and Elements Proposed by OMB and Treasury May Not Yet Represent All That Are Necessary to Fully Capture and Reliably Report on Federal Spending

The DATA Act requires Treasury, in consultation with OMB, to publish a report of funds made available to, or expended by, federal agencies and their components on USA Spending.gov or an alternative system. Given that OMB has not yet provided an example of the form and content of the envisioned financial reporting under the DATA Act, it is difficult to determine at this point whether additional data standards and elements are needed. As Treasury and OMB continue establishing the DATA Act data standards and elements, linking them to established financial accounting and reporting processes will be important in helping ensure consistency and comparability of the information reported and could provide a means for determining data quality between new financial information reported under the DATA Act and information in audited agency financial statements. For example, certain data standards and elements used by agencies in reporting financial data in their audited Statement of Budgetary Resources¹⁶ may also be used to report certain agency budgetary data under the DATA Act. In addition, the DATA Act requires Treasury to include certain financial information similar to that reported in the Schedule of Spending, which is included in agency annual financial reports, as required by OMB Circular No. A-136, Financial Reporting Requirements. Therefore, established data standards and elements used by agencies in preparing this unaudited schedule could be used to report certain information under the DATA Act. Further, leveraging existing and establishing new controls over the data standards and elements—financial and non-financial—used in reporting under the DATA Act could help ensure data reliability.

The DATA Act also requires OMB and Treasury to incorporate widely accepted common data standards and elements, to the extent reasonable and practicable, such as those developed and maintained by international standards-setting bodies and accounting standards organizations, in a machine-readable format. As OMB and Treasury move forward with establishing data standards, given their limited time and resources, they could benefit from leveraging existing international standards for digital reporting of financial, performance, risk, or compliance information. For example, the International Organization for Standardization (ISO) has developed data standards such as one that describes an internationally

¹⁶The Statement of Budgetary Resources and related disclosures provide information about budgetary resources made available to an agency as well as the status of those resources at the end of the fiscal year. It serves as a tool to link budget execution data in an agency's financial statements to information reported in the "actual" column of the Budget of the United States Government.

accepted way to represent dates and times which may help address the DATA Act requirement to establish a standard method of conveying a reporting period.¹⁷ The ISO also has a standard for a digital object identification system which may help address the DATA Act requirements to have a unique identifier and use a widely accepted, nonproprietary, searchable, platform-independent, machine-readable format. The use of such standards helps reduce uncertainty and confusion with organizations interpreting standards and reporting differently which could lead to inconsistent results and unreliable data.

Treasury Is Aware of Issues with Its Technical Schema and Intends to Address Concerns

Treasury's draft technical schema is intended to standardize the way financial assistance, contract, and loan award data, as well as other financial data, will be collected and reported under the DATA Act. Toward that end, the technical schema describes, among other things, the standard format for data elements including their description, type, and length. We reviewed version 0.2 of the technical schema that was publicly released in May 2015.¹⁸ Treasury officials said that they are testing this schema and are continually revising it based on considerations of these tests as well as feedback they receive from stakeholders. In light of this, we shared the following potential issues with Treasury.

Treasury developed a subset of the schema based on the U.S. Standard General Ledger, which provides a uniform chart of accounts and technical guidance for standardizing federal agency accounting of financial activity. We found that some of the data elements, as defined in the most recent draft version available for us to review, could allow for inconsistent information to be entered. For example, alphabetic characters could be entered into a data field that should only accept numeric data. This could, in turn, affect the proper reporting, reliability, and comparability of submitted data. Further, OMB and Treasury intended to fulfill a portion of their requirements by leveraging existing agency reporting. Going forward, the technical schema will need to describe enhancements or changes to current financial reporting.

¹⁷The International Organization for Standardization (ISO) is an independent, non-governmental membership organization and the world's largest developer of voluntary international standards. It has published more than 19,500 international standards covering almost every industry, from technology to food safety, to agriculture and health care.

¹⁸In May 2015, OMB and Treasury released a DATA Act schema model version 0.2. This document is publicly available at <http://fedspendingtransparency.github.io/data-exchange-standard/>.

We also noted that the schema does not currently identify the computer markup language (i.e., standards for annotating or tagging information so that it can be transmitted over the Internet and readily interpreted by disparate computer systems)¹⁹ that agencies can use for communicating financial data standards. Treasury officials said they plan to address this issue in a forthcoming version of the schema, which they estimated would be publicly released by the end of the summer. We will continue to review additional versions of the schema and will share our views with Treasury and you.

OMB and Treasury Established a Framework for Developing Data Standards, but Action Is Needed to Ensure the Integrity of the Standards Is Maintained over Time

OMB and Treasury Established a Governance Structure for Overall Implementation of the DATA Act

The DATA Act designates OMB and Treasury to lead government-wide implementation efforts. Toward that end, OMB and Treasury have established a governance framework that includes structures for both project management and data governance. At the top of this framework is an executive steering committee, which is responsible for setting overarching policy guidance and making key policy decisions affecting government-wide implementation of the act. The executive steering committee consists of two senior administration individuals: OMB's Controller and Treasury's Fiscal Assistant Secretary. The executive steering committee is supported by the Interagency Advisory Committee (IAC), which is responsible for providing recommendations to the steering committee related to DATA Act implementation. The IAC includes the

¹⁹The Extensible Markup Language (XML) is an example of a markup language.

chairs of various federal government-wide councils as well as other agency officials.²⁰ In addition, the IAC members are responsible for updating their respective agencies and for providing leadership in implementing DATA Act requirements. As part of their plans for agency implementation, OMB and Treasury have asked federal agencies to identify a Senior Accountable Official and organize an agency-wide team to coordinate agency-level implementation activities.

OMB and Treasury have made progress in developing a governance structure for government-wide implementation. However, a recent Treasury Office of the Inspector General (OIG) report raised a number of concerns with Treasury's project management practices that the OIG believes could hinder the effective implementation of the act if not addressed.²¹ Specifically, the Treasury OIG found that project management documents designed to track the implementation of significant DATA Act workstreams lacked several key attributes—such as project planning tools, progress metrics, and collaboration documentation—called for by project management best practices. Due to the complexities involved, OMB and Treasury are using a mix of both agile and traditional project management approaches to implement the DATA Act.

However, the Treasury OIG found that project planning documents did not describe the different approaches being used for each workstream. The Treasury OIG recommended that Treasury's Fiscal Assistant Secretary strengthen project management over the DATA Act's implementation by defining the project management methodology being used for each significant workstream and ensuring that project management artifacts appropriate to those methodologies are adopted and maintained. Treasury agreed with the OIG findings and stated that it was taking corrective action in response, including a commitment to implementing a recognized agile development approach in an appropriate

²⁰The Interagency Advisory Committee (IAC) comprises representatives from multiple interagency councils including the Chief Financial Officers Council (CFOC), Budget Officers Advisory Council (BOAC), Award Committee for E-Government (ACE), Council on Financial Assistance Reform (COFAR), the Chief Acquisition Officers Council (CAOC), the Chief Information Officers Council (CIOC), the Performance Improvement Council (PIC) and the Council of the Inspectors General on Integrity and Efficiency (CIGIE), among others.

²¹See Treasury Office of Inspector General, *Treasury Is Making Progress In Implementing the DATA Act But Needs Stronger Project Management*, OIG-15-034 (May 19, 2015).

and disciplined manner for each workstream and improving documentation to identify when the agile approach is being used. Treasury OIG officials told us that they are continuing to monitor OMB and Treasury project management efforts and will report their audit findings on an ongoing basis. In coordination with the Treasury OIG, we will be monitoring OMB and Treasury's governance process as part of our ongoing work as well.

Additional Action Is Needed to Help Ensure the Integrity of Data Standards Is Maintained In Coming Years

OMB and Treasury have taken steps to establish a governance process for developing data standards. However, more effort is needed to build a data governance structure that not only addresses the initial development of the data standards but also provides a framework for adjudicating revisions, enforcing the standards, and maintaining the integrity of standards over time. One of the key responsibilities of the IAC is to provide support for the development of data standards. In this capacity, the IAC is responsible for developing white paper proposals and building consensus within members' respective communities for new standardized data elements that align with existing business practices across multiple reporting communities (e.g., grants, procurement, and financial reporting) that will be using the standards. OMB and Treasury officials told us that while they have established a process to develop data standards through the IAC, they have not yet instituted procedures for maintaining the integrity of the standards over time. According to these officials, they are taking an iterative approach to developing additional procedures for data governance, similar to their overall approach for managing the implementation of the act.

Industry and technology councils, and domestic and international standards-setting organizations, endorse the establishment and use of governance structures to oversee the development and implementation of standards. While there are a number of governance models, many of them promote a set of common principles that includes clear policies and procedures for broad-based participation from a cross-section of stakeholders for managing the standard-setting process and for controlling the integrity of established standards. Standards-setting organizations, such as the Software Engineering Institute (SEI),²² define

²²SEI is a nationally recognized, federally funded research and development center established at Carnegie Mellon University in Pittsburgh, Pennsylvania, to address software development issues.

data governance as a set of institutionalized policies and processes that can help ensure the integrity of data standards over time.

According to these entities, a data governance structure should have a defined focus, such as monitoring policies and standards, monitoring and reporting on data quality, and ensuring the consistency of the standards across potentially different data definitions. These organizations also suggest that for a data governance structure to be successful, an organization needs clear processes and methods to govern the data that can be standardized, documented, and repeatable. Ideally, this structure could include processes for

- evaluating, coordinating, approving, and implementing changes in standards from the initial concept through design, implementation, testing, and release;
- maintaining established standards; and
- gaining a reasonable degree of agreement from stakeholders.

Going forward, in the absence of a clear set of institutionalized policies and processes for developing standards and for adjudicating necessary changes, the ability to sustain progress and maintain the integrity of established data standards may be jeopardized as priorities and data standards shift over time. As a result, we are recommending the following action:

Recommendation for Executive Action

To ensure that the integrity of data standards is maintained over time, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, establish a set of clear policies and processes for developing and maintaining data standards that are consistent with leading practices for data governance.

OMB and Treasury Have Obtained Input from Stakeholders; As Implementation Progresses Communication Will Become Even More Important

One component of good data governance involves establishing a process for consulting with and obtaining agreement from stakeholders. In fact, the DATA Act requires OMB and Treasury to consult with public and private stakeholders when establishing data standards. Recognizing the importance of engaging on data standards, OMB and Treasury have taken the following steps:

- convened a town hall meeting on data transparency in late September 2014 to, in part, allow stakeholders to share their views and recommendations;
- published a *Federal Register* notice seeking public comment on the establishment of financial data standards by November 25, 2014;²³
- presented periodic updates on the status of DATA Act implementation to federal and non-federal stakeholders at meetings and conferences;
- solicited public comment on data standards using GitHub, an online collaboration space, including the posing of general questions in December 2014 and subsequently seeking public comment on proposed data standards beginning in March 2015; and
- collaborated with federal agencies on the development of data standards and the technical schema through MAX.gov, an OMB-supported website.

Such efforts by OMB and Treasury have provided valuable opportunities for non-federal stakeholders to provide input into the development of data standards. However, more can be done to engage in meaningful two-way dialogue with these stakeholders. Creating such a dialogue and an “open exchange of ideas between federal and non-federal stakeholders” is identified as an explicit goal of the Federal Spending Transparency GitHub site²⁴ established by OMB and Treasury. Moreover, the site’s landing page links such interactive communication with the successful development of data standards.

However, we found only a few examples that OMB and Treasury have engaged in such a dialogue or have otherwise substantively responded to

²³79 Fed. Reg. 58,045 (Sept. 26, 2014).

²⁴GitHub is a web-based software repository hosting service. The DATA Act collaboration website, Federal Spending Transparency, can be found at: <http://fedspendingtransparency.github.io/>.

stakeholder comments on the site. When we asked OMB and Treasury officials how public comments from GitHub were considered when finalizing the first 15 data standards issued in May 2015, they said that none of the comments warranted incorporation and confirmed that substantive replies to stakeholder comments were not posted.

Our work examining the implementation of the Recovery Act underscored the importance of obtaining stakeholder input as guidance is developed to address potential reporting challenges.²⁵ We found that during implementation of the Recovery Act, OMB and other federal officials listened to recipients' concerns and changed guidance in response, which helped recipients meet reporting requirements. Some stakeholders we spoke with cited the process OMB followed in developing Recovery Act guidance as an example of effective two-way communication; however, these stakeholders indicated that they have not experienced this same level of outreach and communication with OMB and Treasury thus far with DATA Act implementation. Without similar outreach for OMB and Treasury's current initiatives there is the possibility that reporting challenges may be neglected or not fully understood and therefore not addressed, potentially impairing the data's accuracy and completeness or increasing reporting burden.

As DATA Act implementation progresses, establishing an effective two-way dialogue will likely become even more important. As they primarily pertain to federal budget reporting activities, the first set of 15 data elements finalized in May 2015 may not have been viewed as being directly applicable to some non-federal stakeholders including state and local governments. However, future data elements to be issued by OMB and Treasury are directly related to federal grants and contracts. These may be perceived as being more relevant to states, localities, businesses, nonprofits, and other non-federal stakeholders, resulting in increased questions and desire for input and involvement from these communities.

Additional policies and procedures that address the whole lifecycle of standards development will be needed to ensure the integrity of government-wide financial data standards is maintained over time. These policies and procedures could also provide an opportunity for OMB and Treasury to establish effective two-way communication with a broad

²⁵GAO-13-758.

representation of federal fund recipients to ensure all interested parties' concerns are addressed as this important work continues. As a result we are making the following recommendation:

Recommendation for Executive Action

To ensure that interested parties' concerns are addressed as implementation efforts continue, we recommend that the Director of OMB, in collaboration with the Secretary of the Treasury, build on existing efforts and put in place policies and procedures to foster ongoing and effective two-way dialogue with stakeholders including timely and substantive responses to feedback received on the Federal Spending Transparency GitHub website.

Treasury Does Not Plan To Transfer Recovery Operations Center Assets

The DATA Act authorizes Treasury to establish a data analysis center or to expand an existing service, to provide data, analytic tools, and data management techniques for preventing or reducing improper payments and improving the efficiency and transparency in federal spending.²⁶ Should Treasury elect to establish a data analysis center or expand an existing service, all assets of the Recovery Accountability and Transparency Board (Recovery Board) that support the operations and activities of the Recovery Operations Center (ROC)—a central data analytics service to support fraud detection and prevention and assist the oversight communities in their efforts to prevent fraud, waste, and abuse—will be transferred to Treasury by September 30, 2015, the day that the authority for the Recovery Board expires. Treasury officials have told us that the department does not plan to transfer any of the ROC's assets, and, as discussed below, outlined the challenges that led to this decision. As a consequence, some OIGs who were the primary users of the ROC will either need to develop, replace, or lose the existing capabilities for certain audit and investigative services.

²⁶FFATA, § 6(c).

Initially Created to Improve Accountability of Recovery Act Funds, the ROC's Tools and Techniques Have Been Extended to Other Federal Spending

The Recovery Act created the Recovery Board, made up of inspectors general to promote accountability by overseeing recovery-related funds and transparency by providing the public with easily accessible information.²⁷ To accomplish this goal, the Recovery Board established the ROC to provide

- predictive analysis capability to help oversight entities focus limited government oversight resources based on risk indicators such as a program previously identified as high-risk, high-dollar-value projects, past criminal history of key parties involved in a project, and tips from citizens; and
- in-depth fraud analysis capability to identify non-obvious relations between legal entities using public information about companies.

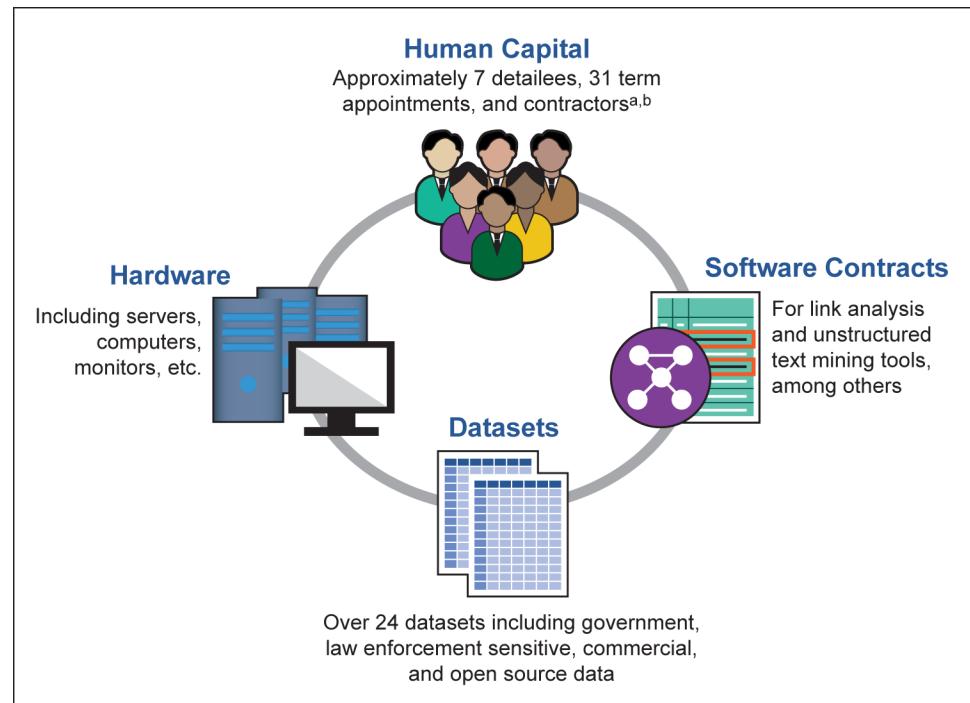
After its initial mandate to oversee Recovery Act funds, subsequent legislation expanded the Recovery Board's mandate to include oversight of all federal spending as well as funds appropriated for purposes related to the impact of Hurricane Sandy. In addition to expanding its authority, the legislation also extended the termination date of the Recovery Board from September 30, 2013 to September 30, 2015.²⁸

The ROC serves as an independent central repository of tools, methods, and expertise for identifying and mitigating fraud, waste, and mismanagement of federal funds. The Recovery Board's assets supporting the ROC include human capital, hardware, data sets, and software. (See figure 2.)

²⁷Pub. L. No. 111-5, div. A, §§ 1521–1530, 123 Stat. 115, 289–294 (Feb. 17, 2009).

²⁸The Recovery Act appropriated \$84 million for the Recovery Board to carry out its duties, and set a termination date of September 30, 2013 for its oversight activities. The Consolidated Appropriations Act, 2012, expanded the Recovery Board's authority to include developing and testing information technology resources and oversight mechanisms to enhance transparency of and detect and remediate waste, fraud, and abuse in federal spending. Pub. L. No. 112-74, 125 Stat. 786, 920 (Dec. 23, 2011). The Disaster Relief Appropriations Act of 2013 further mandated the Recovery Board to develop and use those resources and mechanisms to detect and remediate waste, fraud, and abuse in the obligation and expenditure of funds appropriated for purposes related to the impact of Hurricane Sandy. In addition, it extended the authorization of the Recovery Board through September 30, 2015. Pub. L. No. 113-2, 127 Stat. 4, 18 (Jan. 29, 2013).

Figure 2: Recovery Operations Center Assets



Source: GAO. | GAO-15-752T

Note: ^aReflects peak staffing numbers from September 2013.

^bMany of these personnel supported other Recovery Board activities.

The ROC developed specialized data analytic capabilities that members of the federal oversight community could leverage by submitting a request for analysis. For instance:

- The Appalachian Regional Commission (ARC) OIG used the ROC's capabilities to analyze text from A-133 single audit data to search for indications of risk and identify the highest risk grantees for review.²⁹ This approach allowed the ARC OIG to identify 30 to 40 grantees out of approximately 400 grants per year based on risk rather than selecting grantees randomly based on geography and grant type.

²⁹All non-federal entities that expend \$750,000 or more of federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996, OMB Circular A-133, and the OMB Circular Compliance Supplement and Government Auditing Standards.

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- The Environmental Protection Agency (EPA) OIG used the ROC's data visualizations of a link analysis, which identifies relationships among entities involved in activities such as a fraud ring or an effort to commit collusion, to present to juries. An EPA OIG official said that the visualization of these relationships made it easier for juries to understand how entities had collaborated in wrongdoing.

Since 2012, after its mandate was expanded to cover all federal funds, over 50 federal OIGs and agencies have asked the ROC for help. Based on requests for analysis compiled in the Recovery Board's Annual Reports, the ROC researched roughly 1.7 million entities associated with \$36.4 billion in federal funds during fiscal years 2013 and 2014.³⁰ The largest single user of ROC assistance over this time was the ARC OIG in 2012 and the Department of Homeland Security OIG in fiscal years 2013 and 2014.

Treasury Decided Not to Transfer the ROC's Assets, Citing Cost and Other Challenges

To facilitate a potential transition, Recovery Board officials provided a transition plan to Treasury in late spring of 2014. The plan provided an overview of the ROC's assets and presented possible scenarios for a transition and steps needed including estimated time frames assuming a transfer by September 30, 2015. In May 2015, Treasury officials told us that the agency does not plan to transfer any of the ROC's assets, identifying the following challenges to assuming ROC's assets:

- **Hardware.** Although Treasury officials viewed hardware as being feasible to transfer, in their assessment it was not cost effective to do so because the ROC's hardware is aging, lessening the value of these assets.
- **Human capital.** The agency would have to use the competitive hiring process to hire key ROC employees, which can be time consuming. In addition, because some ROC staff were term-limited hires or contractors, a competitive hiring process would not guarantee that ROC staff would ultimately be selected for employment.

³⁰Requests for assistance were submitted primarily by OIGs and the law enforcement community. Underlying allegations prompting requests for assistance included theft/misappropriation, concealment, collusion, false statements/claims, commercial kickbacks, conflicts of interest, bribery/gratuity, non-performance, bid-rigging, money laundering, bankruptcy, Davis-Bacon Act violations, embezzlement, product substitution, and other fraudulent activities.

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- **Data sets.** The ROC obtained access to federal datasets through memoranda of understanding, which are not transferrable and therefore would need to be negotiated. Commercially procured data sets also are not transferrable but would instead have to go through a procurement process.
 - **Software contracts.** Because the Recovery Board extended its software contracts on a sole source basis when it was re-authorized for 2 additional years, Treasury would need to use a competitive procurement process to obtain these data analytic tools.

Because of these challenges, Treasury focused on facilitating information sharing through meetings between the ROC and Treasury's Do Not Pay (DNP) initiative, which assists agencies in preventing improper payments. Treasury officials stated that the expertise developed at the ROC was its most valuable asset, so officials focused on meeting with the ROC staff to discuss best practices and share knowledge with the DNP staff. In addition, Treasury officials noted that they had hired the former Assistant Director for Data and Performance Metrics at the Recovery Board as the Director of Outreach and Business Process for DNP. Officials further noted that the Director's experience at the ROC included leveraging data to identify high risk entities and conducting outreach to the ROC's user community—skills that Treasury officials said were complementary to DNP's activities. (See figure 3.)

Figure 3: Comparison of ROC and Treasury Do Not Pay Services and Data Sources

Treasury's Do Not Pay	Recovery Operations Center
<p>Treasury's Do Not Pay checks various data sources for several different payment activities including pre-award, pre-payment eligibility verification at the time of payment and any time in the payment lifecycle. It does this on a large-scale basis—up to \$2.5 trillion—of payment activities.</p> <p>Services^a</p> <p>Data source matching</p> <ul style="list-style-type: none">  Online search capabilities allow for searching a single name or entity.  Batch matching allows a comparison of an agency's pre-award and pre-payment file matched to available approved data sources.  Continuous monitoring allows an ongoing comparison of an agency's file against all data sources they are authorized to access. Payment integration provides a comparison at the time of payment. <p>Data sources</p> <ul style="list-style-type: none"> • Credit Alert Interactive Voice Response System (CAIVRS) • Social Security Administration Public Death Master File (DMF) • Health and Human Services OIG List of Excluded Individuals & Entities (LEIE) • Office of Foreign Assets Control (OFAC) • System for Award Management (SAM) Entity Registration Records • SAM Exclusion Records Public & Restricted (also known as the Excluded Parties List System) • Treasury Offset Program (TOP) Debt Check • Government wide payment data 	<p>The ROC is an independent data analytics center that supports fraud detection and prevention and assists the oversight communities (Offices of Inspector General and law enforcement) in their efforts to prevent fraud, waste, and abuse as well as to prevent and detect erroneous/ineligible duplicate payments of federal funds by agencies.</p> <p>Services^a</p> <ul style="list-style-type: none">  Link analysis examines large amounts of data (e.g. multiple datasets, social media) for connections indicating fraud, waste, and abuse.  An unstructured/structured text mining tool (developed in-house) proactively identifies high-risk entities in the A-133 Single Audit database (or other unstructured data sources).  GIS tools identify patterns and geographic hotspots to focus on high-risk geographic areas. <p>Data sources</p> <p>Fully ingested data:</p> <ul style="list-style-type: none"> • Central Contractor Registry (CCR) • Department of Defense Terminations List • Federal Audit Clearinghouse (FAC) • Federal Procurement Data System (FPDS) • Excluded Parties List System • Health and Human Services OIG List of Excluded Individuals & Entities (LEIE) • Internal Revenue Service Automatic Revocation of Exemption list • Recovery.gov 1512 Data • Board Oversight Support Records (law enforcement sensitive) – Hotline Records and Records Related to Requests for Analysis • IG Investigative Recovery Act Data (law enforcement sensitive) <p>Data available for single record retrieval:</p> <ul style="list-style-type: none"> • CLEAR (Thomson Reuters) • Corporate filings at various Secretaries of State • Corporate Websites • Federal Assistance Awards Data System (FAADS+) via USASpending.gov • Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS) via USASpending.gov • Electronic Data Gathering, Analysis and Retrieval (EDGAR) • Financial Crimes Enforcement Network (FinCEN) • Guidestar • Online Representations and Certifications Applications (ORCA) • Public Access to Court Electronic Records (PACER) • Small Business Administration Dynamic Small Business Search • Social Security Administration Public Death Master File (DMF) • Social Media (LinkedIn, Facebook, and Twitter) • Veterans Affairs Office of Small & Disadvantaged Business Utilization (OSDBU) Vetbiz

Source: GAO. | GAO-15-752T.

Note: ^aBoth the Treasury and the ROC may offer additional services. For example, Treasury's analytics examines large amounts of data (e.g. payment data, multiple data sets) to detect systemic improper payments and fraud. The ROC also provides data analytics using SAS.

In 2013, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) explored the viability of assuming some ROC assets to continue providing analytic capabilities to the OIG community.³¹ CIGIE estimated that it would cost \$10.2 million per year to continue to run the ROC and because CIGIE is primarily funded by membership dues, CIGIE determined the additional cost to operate the ROC would be too burdensome for the organization.³² A CIGIE official indicated they have continued to look for opportunities to provide centralized data analytic resources to OIGs. However, this official said given its financial resources, any resources CIGIE might provide would be at a significantly scaled back level compared to the ROC.

Some large OIGs that previously used the ROC intend to develop their own analytic capabilities. However, according to some OIG officials, the ROC's closure may impact the audit and investigative capabilities of some small and medium-sized OIGs who do not have the resources to develop independent data analytics or pay fees for a similar service.³³ According to some OIG officials, the loss of the ROC's analytical capabilities could also result in auditors and investigators working more staff hours to research the same types of linkages rather than verifying the information that the ROC could provide in a shorter time. Treasury officials stated that the Fiscal Service operations assist federal agencies—including OIG and other law enforcement agencies—in identifying, preventing, and recovering improper payments under existing authorities. However, as noted earlier, our work on the potential impact of the ROC's sunset on the oversight community is on-going, and we have

³¹The CIGIE is an independent entity established within the executive branch to address integrity, economy, and effectiveness issues that transcend individual government agencies and aid in the establishment of a professional, well-trained, and highly skilled workforce in the Office of Inspectors General. CIGIE's mission includes the identification, review, and discussion areas of weakness and vulnerability in federal programs with respect to fraud, waste, and abuse.

³²According to a ROC official, the Recovery Board did not have a separate line item for the ROC in its budget that showed its total costs.

³³If Treasury opts to establish or expand a data analysis center, the DATA Act requires Treasury to enter into memoranda of understanding (MOU) with federal agencies, inspectors general, and federal law enforcement agencies under which Treasury may provide data from the data analysis center for the purposes of preventing and reducing improper payments by federal agencies; to improve efficiency and transparency in federal spending; to identify, prevent, and reduce fraud, waste, and abuse related to federal spending; and to conduct criminal investigations. The MOU may require these entities to provide reimbursement to Treasury for the reasonable cost of carrying out the agreement.

not independently compared the services of Fiscal Service operations to the ROC. We plan to issue a report on the ROC later this year.

OMB Has Launched a Pilot to Develop Recommendations for Reducing Recipient Reporting Burden

The DATA Act requires OMB to establish a 2-year pilot program to develop recommendations for standardizing financial data elements, eliminating unnecessary duplication, and reducing compliance costs for recipients of federal awards.³⁴ Toward this end, OMB has partnered with the Department of Health and Human Services (HHS), the General Services Administration (GSA), and the Chief Acquisition Officers Council (CAOC). According to OMB staff, HHS is assisting OMB for grants-specific activities while GSA and the CAOC are doing so for contract-specific activities.

Our work to date has centered on the grants-related part of the pilot. The pilot was launched this May with three activities: (1) a national dialogue on reducing the reporting burden faced by recipients of federal funds; (2) an online repository of common data elements; and (3) a new section on Grants.gov with information about the grants lifecycle.

Conducting a national dialogue on reducing recipient reporting burden. A national dialogue is being conducted for federal contractors and grantees with a focus on sharing ideas for easing reporting burden, eliminating duplication, and standardizing processes. According to OMB and HHS officials, this online dialogue will be open on a public website through May 2017 and comments will be actively reviewed, incorporated, and addressed as appropriate.³⁵ HHS, GSA, and CAOC have posed a number of questions to federal award recipients in this dialogue, including the following:

- If you could change one thing that would ease your reporting burden associated with your grants or sub-grants, what would it be (e.g., time, cost, resource burden)?
- If you have reporting requirements to the federal government, how are those met?

³⁴FFATA, § 5(b).

³⁵The National Dialogue for Reducing Recipient Burden can be accessed at <https://cfo.dialogue2.caoc.gov/a/pages/gsa-challenges>.

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- If you could create a central reporting portal into which you could submit all required reports, what capabilities/functions would you include?

Online repository of common grants-related data elements. The HHS DATA Act Program Management Office manages an online repository of agreed-upon standardized data elements, called the Common Data Element Repository (C-DER) Library, to be an authorized source for data elements and definitions used by the federal government in agency interactions with the public. The C-DER is designed to include data standards that have been approved through the implementation of the DATA Act.³⁶ Specifically, as of July 16, 2015, the C-DER is populated with 112 data elements from a variety of sources.³⁷ The 15 data elements finalized by OMB and Treasury under the DATA Act on May 8, 2015, are included in the C-DER; however the remaining 12 that have been finalized since then are not yet included. A number of the terms included in the C-DER go beyond the data elements that are required to be standardized under the DATA Act, such as definitions for audit finding, auditee, auditor, and hospital.

According to HHS officials, the C-DER was developed through an analysis of 1,000 data elements from 17 different sources. HHS officials stated that key findings that led to the creation of the C-DER were (1) lessons learned from the development of Uniform Grants Guidance that different communities, such as grants, acquisitions, and procurement, use terms and concepts differently; (2) that it is difficult for the public to access common definitions across these different communities; and (3) that data standards in and of themselves are not helpful unless they are used. The purpose of the C-DER is to reconcile these three findings and accommodate different data standards as they are developed under the act.

Providing grants-related resources. The third component of the pilot is the launch of a portal that provides the public with grants resources and information on the grants lifecycle, known as the Grants Information Gateway (GIG). Available on Grants.gov, the GIG is intended to serve as

³⁶The C-DER library is available online at <https://repository.usaspending.gov/poc-tool/>.

³⁷Some of the sources attributed to these data elements included the Federal Acquisition Regulation, OMB Circular A-11, and the Uniform Grant Guidance.

a clearinghouse for information on the federal grants management process and lifecycle.³⁸ Further, HHS officials stated that they intend to leverage Grants.gov and the GIG to improve the transparency of federal spending by educating the public and potential applicants for federal grants about federal grant-making.

As part of our ongoing work on this pilot, we are reviewing past experiences and good practices on designing, implementing, and evaluating pilots; assessing whether the pilot's design is likely to meet DATA Act requirements and objectives; and evaluating whether the pilot is managed in a way that will likely result in useful recommendations. We will report our findings to Congress next spring.

We provided a draft of this statement to Treasury, Health and Human Services, Office of Management and Budget, the Chair of the Council of the Inspectors General on Integrity and Efficiency, and the Chair of the Recovery Accountability and Transparency Board. OMB staff and Treasury officials did not have comments on the recommendations. OMB staff, Treasury officials, HHS, the Recovery Board, and the CIGIE provided technical comments on the draft, which we incorporated as appropriate.

In conclusion, given the complexity and government-wide scale of the activities required by the DATA Act, full and effective implementation will not occur without sustained commitment by the executive branch and continued oversight by Congress. We welcome the responsibility that the Congress has placed on us to assist in the oversight of the DATA Act. Toward that end, we look forward to continuing to monitor and assess the efforts of OMB, Treasury, and other federal agencies while standing ready to assist this and other committees in carrying out Congress's key oversight role in the months and years to come.

³⁸The Grants Information Gateway is available online at <http://www.grants.gov/web/grants/learn-grants.html>.

Chairman Hurd, Ranking Member Kelly, Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittees, this concludes my prepared statement. I would be pleased to respond to any questions you have.

GAO Contact and Staff Acknowledgements

Questions about this testimony can be directed to J. Christopher Mihm, Managing Director, Strategic Issues at (202) 512-6806 or mihmj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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