July 2019

DATA ACT

Customer Agencies' Experiences Working with Shared Service Providers for Data Submissions

Why GAO Did This Study

Over the past 2 decades, the federal government has undertaken efforts to save money and increase efficiencies by encouraging agencies to use administrative and operational services and processes that other federal and external parties provide, commonly referred to as shared services. The DATA Act was enacted to increase accountability and transparency and, among other things, establish government-wide data standards. Certain agencies have used shared services of federal SSPs to implement the act. The act also requires a series of oversight reports by agencies' Offices of Inspector General (OIG) and GAO. OIGs for five agencies have made recommendations related to agencies' use of SSPs for DATA Act services, and four agencies concurred with the recommendations.

The objectives of this report are to describe (1) the types and variations of services that federal SSPs provide to their financial management customer agencies to assist them with implementing the DATA Act and meeting the act's requirements and (2) the challenges federal SSPs and their financial management customer agencies have encountered in their efforts to ensure the quality of data submissions consistent with DATA Act standards and steps they have taken to address those challenges.

To address these objectives, GAO interviewed staff at four federal SSPs, OMB, and Treasury; reviewed selected agreements between the SSPs and their customer agencies; conducted a survey of customer agencies from December 2018 to January 2019; and analyzed the survey responses.

View GAO-19-537. For more information, contact Paula M. Rascona at (202) 512-9816 or rasconap@gao.gov.

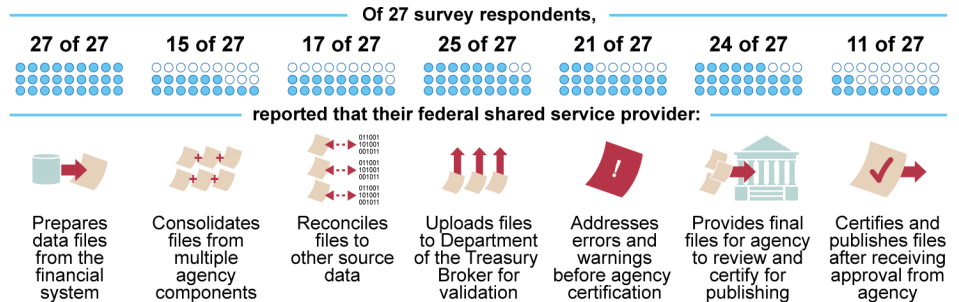## What GAO Found

GAO found that the 27 agencies that responded to its survey use federal shared service providers (SSP) for a variety of services, including financial system hosting, general ledger accounting, financial reporting, and various Digital Accountability and Transparency Act of 2014 (DATA Act) services.

Digital Accountability and Transparency Act of 2014 (DATA Act) Services That Federal Shared Service Providers Perform

Of 27 survey respondents,

27 of 27	15 of 27	17 of 27	25 of 27	21 of 27	24 of 27	11 of 27

reported that their federal shared service provider:

| Prepares data files from the financial system | Consolidates files from multiple agency components | Reconciles files to other source data | Uploads files to Department of the Treasury Broker for validation | Addresses errors and warnings before agency certification | Provides final files for agency to review and certify for publishing | Certifies and publishes files after receiving approval from agency |

Source: GAO analysis of federal shared service provider customer agency survey responses. | GAO-19-537

Sixteen of the 27 SSP customer agencies reported that they experienced challenges associated with using an SSP, many of which affected the timeliness, completeness, or accuracy of agency DATA Act submissions. Ten of these agencies experienced challenges with depending on an SSP to take actions before the agency could proceed. Agencies responding to GAO's survey also reported other challenges, such as a lack of guidance from the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury), limited customer agency and SSP resources, SSP errors affecting data quality, and inadequate SSP project management activities. Twelve of these 16 agencies stated that they are taking steps to address these challenges—such as increasing communication with their SSPs, making technology improvements, and performing manual work-arounds to reconcile and correct data files. Nine agencies reported remaining additional steps, for example, correcting data errors and developing a reconciliation process and internal guidance on topics such as data quality plans. While agencies are primarily responsible for the quality of DATA Act submissions, five agencies also reported that their SSPs had taken similar steps to address identified challenges.

Twenty of the 27 agencies described useful practices for working with SSPs on DATA Act submissions, including the agency discussing issues with the SSP and obtaining data files from the SSP each month to provide additional time to correct any identified errors. Treasury officials stated prior to GAO's survey that they held workshops for SSPs in the early stages of DATA Act implementation and clarified guidance issued in June 2018 to specifically address their concerns and questions. After GAO's survey, in April 2019, OMB issued a memorandum on shared services that among other things described the process and desired outcomes for shared services and established a governance and accountability model for achieving them.

_____ **United States Government Accountability Office**