



Office of Inspector General

DATA Act Readiness Review

DATA ACT READINESS REVIEW OF THE FEDERAL LABOR RELATIONS AUTHORITY

Report No. ER-17-03

October 2016

Federal Labor Relations Authority
1400 K Street, N.W. Suite 250, Washington, D.C. 20424

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Abbreviations

BFS	Bureau of the Fiscal Service
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DATA Act	Digital Accountability and Transparency Act of 2014
FAEC	Federal Audit Executive Council
FLRA	Federal Labor Relations Authority
IG	Inspector General
OIG	Office of Inspector General
OMB	Office of Management and Budget
SAO	Senior Accountable Official
Treasury	Department of Treasury

OIG

Evaluation Report

*The Federal Labor Relations Authority
Office of Inspector General*

October 17, 2016

Carol Waller Pope
Chairman

This report presents the results of our evaluation of the Federal Labor Relations Authority (FLRA) actions taken to implement the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act)¹. We contracted with the FLRA Office of Inspector General (OIG) to perform the DATA Act readiness review.

The objective of our review was to perform an evaluation of FLRA's readiness using the Federal Audit Executive Council (FAEC)'s DATA Act Working Group's Readiness Guide version 2.0, June 2, 2016. To accomplish these objectives, we reviewed the DATA Act, FLRA's implementation plan, and other laws and Federal guidance related to FLRA's responsibilities to report financial and payment information under the DATA Act. We interviewed FLRA personnel involved with implementing the DATA Act. Appendix 1 contains a detailed description of our objective, scope, and methodology.

Results in Brief

We found that the FLRA is largely relying on the implementation efforts of the Bureau of the Fiscal Service (BFS). However, the OIG believes the FLRA should be more actively engaged in the overall implementation of the DATA Act requirements. The OIG's evaluation focused on the first four steps of the Agency 8-Step Plan based on the Office of Management and Budget's (OMB) memorandum M-15-12.

With the DATA Act implementation deadline quickly approaching, we recommend that the FLRA: (1) update its DATA Act implementation plan to

¹ Public Law No. 113-101 (May 9, 2014). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006, Public Law No. 109-282 (September 26, 2006)

encompass both the FLRA's and BFS's responsibilities, and include expanded narrative, milestones and project plans of completed and future steps, (2) establish its own methodology for reviewing data, and milestones, to include those completed on their behalf by the BFS, and (3) the Senior Accountable Official (SAO) should ensure that work in monitoring the progress of the BFS implementation team is more thoroughly documented as it pertains to the FLRA.

In a written response, FLRA management agreed with our recommendations. Overall, we found that management's response meets the intent of our recommendations.

We conducted our fieldwork in September 2016. Appendix 1 contains a detailed description of our objective, scope, and methodology. Appendix 3 provides management's response to the OIG recommendations.

Background

In an effort to increase the availability, accuracy, and usefulness of online federal spending information, Congress enacted the DATA Act. Among other things, the DATA Act requires federal agencies, including the FLRA, report financial and payment data in accordance with data standards established by the Department of Treasury (Treasury) and the OMB. The data reported will be displayed on a website available to taxpayers and policy makers. The DATA Act requires federal agencies to begin reporting federal spending data using the data standards by May 2017.

The DATA Act directs agency Inspectors General (IG) to perform three reviews on agencies' implementation and use of data standards as well review statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, timeliness, quality and accuracy of the data sampled and the use of the data standards by the agency.

The FLRA has an interagency agreement with the Bureau of Fiscal Service (BFS) to provide full service accounting and financial reporting services. The BFS maintains the financial accounts of the FLRA and prepares its financial statements. According to FLRA management, the Administrative Resource Center of the BFS will largely handle implementation efforts of the DATA Act on the FLRA's behalf, with FLRA oversight and input. In addition, the National Finance Center is FLRA's Federal Shared Service Provider for personnel and payroll processing. All requisitions and procurement documents are entered into the BFS procurement PRISM system by FLRA's Contracting Specialist, Contracting Officer and staff.

The BFS has informed the FLRA that it will take the lead in complying with the DATA Act requirements on behalf of the FLRA. The inter-agency agreement

with BFS for accounting services has been amended to provide the BFS with additional funding for it to conduct the work on behalf of the FLRA.

Under the Act, the first IG reports are due November 2016 with the other two following at 2-year intervals (November 2018 and November 2020). The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly and encouraged IGs to undertake Data Act “Readiness Reviews” now. To address the reporting date anomaly, the IGs plan to provide Congress² with their first required report in November 2017, with subsequent reports following on a 2-year cycle.

The FAEC assembled a FAEC DATA Act Working Group (Working Group). The Working Group has issued and subsequently modified Data Act Readiness Review Guides to assist IG’s in their readiness reviews. The FLRA OIG focused the review on the FLRA’s actions to date, future plans, and oversight of their DATA Act implementation service provider, the BFS.

Evaluation Results

We performed our evaluation using the FAEC’s DATA Act Working Group’s Readiness Review Guide version 2.0, June 2, 2016. The guide incorporates guidance from the OMB, to include Memorandum’s M-15-12 and M-10-06. The OIG obtained information from the FLRA on their progress and future implementation plans through discussions. The steps and milestones are found in the FAEC’s DATA Act Working Group’s Readiness Review Guide version 2.0 and the DATA Act Implementation Playbook (version 1.0), issued to agencies in June 2015.

The OIG’s evaluation of FLRA’s progress is listed below.

STEP 1) ORGANIZE TEAM

Milestone Step II.1.A: General Governance Structure. Agencies are to create a DATA Act work group including impacted communities (e.g., Chief Information Officer, Budget, Accounting, etc.) and identify an SAO. Timeline: By spring 2015

FLRA Status: The FLRA’s Executive Director was designated as the SAO. The working group includes the Director of Budget and Finance.

Milestone Step II.1.C: Agency DATA Act Working Group’s Governance Activities. The OIG is to review governance activities at the agency and component level

² On December 22, 2015, CIGIE’s Chair issued a letter to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform the IG’s plan to report a 1-year delay from the statutory due date, with subsequent reports following on a 2-year cycle (Appendix 2).

(e.g., minutes of working group meetings, status reports, etc.) and review these documents.

FLRA Status: The FLRA's SAO provided the OIG with a one page DATA Act Implementation Plan that listed the SAO, the main FLRA point of contact and listed the eight implementation steps outlined by DATA Act guidance. However, the plan lacks sufficient narrative detail, and does not include milestones to monitor progress. The plan is a recap of the eight steps listed in the FAEC DATA Act Working Group's DATA Act Readiness Review Guide, Version 2.0. The FLRA is relying on the BFS to comply with the DATA Act. The FLRA working group members participate in quarterly update communication events with the BFS; however, other activities of the working group are not well documented.

Step 2) REVIEW ELEMENTS

Milestone Step II.2.A: Agency Review. Treasury and OMB are posting data standards online. Agencies can also review the existing USAspending.gov data elements, which need to be captured in addition to the standardized elements. Timeline: May-September 2015

FLRA Status: The FLRA is relying on the BFS to perform the recommended procedures under this step. We found that the FLRA is in communication with the BFS as to the progress of the BFS in this area.

Step 3) INVENTORY DATA

Milestone Step II.3.A: Agency Data Inventory. Obtain and review the completed initial data inventories for each major reporting component, and determine what procedures the SAO/working group performed to ensure that the data inventory includes all elements, identifies where each system element is captured, identifies any manual system, identifies what data is in summary form and what is in detail form, and identifies those elements that are not currently captured (gaps) in its systems or those that are difficult to extract.

FLRA Status: The OIG understands that the FLRA has relied on BFS to review data linkages. The FLRA has been in communication with BFS concerning the linkages identified on behalf of the FLRA. Additionally, we have determined that the BFS has communicated with the FLRA concerning identified data gaps at the BFS and its plan to rectify this issue.

Step 4) DESIGN & STRATEGIZE

Milestone Step II.4.A: Gain and document an understanding of the process by which the agency is planning to implement the DATA Act and the means with which it is tracking implementation. Agencies are to plan changes to systems and

business processes to capture data that are complete. They are also to prepare costs estimates for FY 2017 budget projections for work in this area.

FLRA Status: The FLRA is relying on the BFS to conduct these procedures. The Director of Budget and Finance does receive quarterly reconciliations from BFS for his review. Budget information has been received from BFS for their services in this area on behalf of the FLRA.

Recommendations

To help ensure effective implementation of the DATA Act, we recommend that the FLRA:

1. Update the DATA Act implementation plan to encompass both the FLRA's and BFS's responsibilities, and include expanded narrative, milestones and project plans of completed and future steps.

Management Response

Management agrees with our recommendation.

OIG Comment

Management's response meets the intent of our recommendation.

2. Establish its own methodology for reviewing data, and milestones, to include those completed on their behalf by the BFS.

Management Response

Management agrees with our recommendation.

OIG Comment

Management's response meets the intent of our recommendation.

3. SAO should ensure that work in monitoring the progress of the BFS implementation team is more thoroughly documented as it pertains to the FLRA.

Management Response

Management agrees with our recommendation.

OIG Comment

Management's response meets the intent of our recommendation.

Dembo Jones, P.C.

Rockville, Maryland
October 17, 2016

Appendix 1

Objective, Scope, and Methodology

Our objective was to perform an evaluation of the actions taken by the FLRA to implement the requirements of the DATA Act and progress against those plans. To accomplish our objective, we met with FLRA management and reviewed documents to gain an understanding of the processes, systems and controls which the FLRA has implemented, or plans to implement, to report Federal agency expenditures and link federal spending information in accordance with the requirements of the DATA Act. This understanding is necessary for the OIG to develop an informed methodology for future OIG reports required by the DATA Act. In addition, the results of this review will enable the OIG to provide suggestions on how to improve the likelihood of compliance with the requirements of the DATA Act prior to full implementation.

To accomplish our evaluation of the FLRA's readiness, the OIG initiated our work in early September 2016 and performed the following steps:

- 1) Obtained an understanding of the laws, directives, and other regulatory criteria and guidance related to FLRA's responsibilities to report financial and payment information under the DATA Act.
- 2) Conducted an entrance conference with FLRA staff, including the SAO.
- 3) Obtained information from FLRA staff concerning processes and controls planned or established.
- 4) Obtained information from FLRA staff concerning their communication with the BFS DATA Act implementation team.
- 5) Assessed FLRA's efforts and formal implementation plans to report financial and payment information under the DATA Act.

Appendix 2

CIGIE Letter on Timing Anomaly of IG Reports required by the DATA Act



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.

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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 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.

Sincerely,



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.

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

Appendix 3 Management Response




UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY

October 13, 2016

MEMORANDUM

TO: Dana Rooney
Inspector General

FROM: Sarah Whittle Spooner
Executive Director 

SUBJECT: Management Response to Draft Data Act Readiness Report

Thank you for the opportunity to review and provide comments on the October 5, 2016 draft evaluation of the FLRA's Digital Accountability and Transparency Act of 2014 (DATA Act) Readiness.

As you know, the FLRA began its efforts to comply with the DATA Act in the fourth quarter of FY 2015. The FLRA participated in numerous planning meetings with Office of Management and Budget (OMB) and Treasury Department, as well as Bureau of Fiscal Services (BFS), Administrative Resource Center (ARC) – our financial services provider – to discuss requirements and procedures for the implementation of the DATA Act. And in October 2015, using the template and information directed by ARC, the FLRA submitted its implementation plan to OMB. The FLRA did not receive any feedback on its plan from OMB, nor was any additional information requested – with the exception of a recent OMB agency-wide request for agencies to confirm the Act's applicability to their agency. Since submission of the plan, the FLRA has continued to participate in implementation meetings and efforts led by the ARC Data Act Project Team, and the FLRA's interagency agreement (IAA) with ARC expressly provides that ARC is responsible for FLRA's DATA Act reporting. Among other things, ARC is implementing system and platform changes to both its financial and procurement systems, developing processes and procedures covering the FLRA and other agencies, and issuing guidance and direction to agencies to ensure full compliance with the DATA Act. The FLRA's efforts are driven and directed in large part by ARC because ARC conducts the reporting required under the Act and they manage the systems from which the data is derived. In this connection, the processes and procedures are dictated by ARC, and the FLRA is required to adhere to ARC's direction to ensure compliance – in other words, the FLRA's compliance is dependent on ARC and its efforts.

Consistent with the recommendations set forth in the draft report, the FLRA will continue to collaborate with ARC, and update its narrative, milestones, and project plans – including reviewing data and milestones – as appropriate and in response to OMB feedback – which the FLRA has yet to receive – to the FLRA's implementation plan. In addition, as the FLRA's Senior Accountable Official (SAO), I will continue to monitor the progress of the ARC Data Act Project Team, and document the FLRA's progress, as appropriate.

We appreciate your consideration in finalizing the report.

Appendix 4

Report Distribution

Federal Labor Relations Authority

Ernest DuBester, Member
Patrick Pizzella, Member
Sarah Whittle Spooner, Executive Director
Gregory Mister, Director Budget and Finance

US Senate Committee on Homeland Security and Governmental Affairs

Chairman, Ron W. Johnson
Ranking Member, Thomas R. Carper

House Committee on Oversight and Government Reform

Chairman, Jason Chaffetz
Ranking Member, Elijah Cummings

Senate Committee on the Budget

Chairman, Mike Enzi
Ranking Member, Bernie Sanders

House Committee on the Budget

Chairman, Tom Price
Ranking Member, Chris Van Hollen

CONTACTING THE OFFICE OF INSPECTOR GENERAL

IF YOU BELIEVE AN ACTIVITY IS WASTEFUL,
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EMAIL: OIGMAIL@FLRA.GOV
CALL: (202)218-7970 FAX: (202)343-1072
WRITE TO: 1400 K Street, N.W. Suite 250, Washington,
D.C. 20424

The complainant may remain confidential; allow their name to be used; or anonymous. If the complainant chooses to remain anonymous, FLRA OIG cannot obtain additional information on the allegation, and also cannot inform the complainant as to what action FLRA OIG has taken on the complaint. Confidential status allows further communication between FLRA OIG and the complainant after the original complaint is received. The identity of complainants is protected under the provisions of the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978. To learn more about the FLRA OIG, visit our Website at <http://www.flra.gov/oig>



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