



Federal Spending Data Quality Plan

July 23, 2010

PBGC Federal Spending Data Quality Plan

Introduction

The PBGC is a federal corporation created by the Employee Retirement Income Security Act of 1974. It currently guarantees payment of basic pension benefits earned by 44 million American workers and retirees participating in over 29,000 private-sector defined benefit pension plans. The agency receives no funds from general tax revenues. Operations are financed largely by insurance premiums paid by companies that sponsor pension plans and investment returns.

PBGC is a small agency with approximately 900 federal employees and administrative expenses of around \$460 million. Of the total administrative expenses, approximately \$325 million are procurement actions.

In accordance with the guidance provided by OMB in the Memorandum for Senior Accountable Officials over the Quality of Federal Spending dated February 8, 2010, the following is PBGC's plan for improving the quality of federal spending data. The plan addresses two categories of data: contracts and loans in the form of multiemployer plan financial assistance.

Section 1: Implementation of the Data Quality Framework

A. Governance Structure

In addition to the Agency Director, the senior management team of PBGC includes the Deputy Director for Operations, Chief Insurance Program Officer (CIPO), Chief Financial Officer (CFO), Chief Information Officer, General Counsel, Chief Management Officer (CMO), and Chief Operating Officer, collectively the Executive Management Committee (EMC).

Among the functions executed by the EMC is organizational performance oversight when assembled biweekly for its operations integration meeting (OIM), which is chaired by the CMO. Added periodically to the agenda of the OIM meetings will be oversight of data quality, assessing the effectiveness of internal controls and monitoring deficiencies identified in those controls.

Appointed to the role of Senior Accountable Official (SAO) is the Chief Management Officer. Appointed to act as SAO in the absence of a CMO is Edgar Bennett, Director of Budget and Organizational Performance.

Specifically supporting the SAO is the Budget and Planning Integration Team (BPIT), a cross-functional team of senior leaders representing each of the major components of the PBGC, who oversee budget, project, and operational performance.

The charters for both the EMC and BPIT are included in PBGC’s Directive Number GA 15-05, PBGC Corporate Planning Process, dated May 24, 2010.

Additional resources the SAO will rely upon include the Contract and Controls Review Department (CCRD), as well as, the Internal Controls Committee (ICC), also a cross-functional team of auditing and operational officials who review all aspects of internal controls. Both report to the CFO.

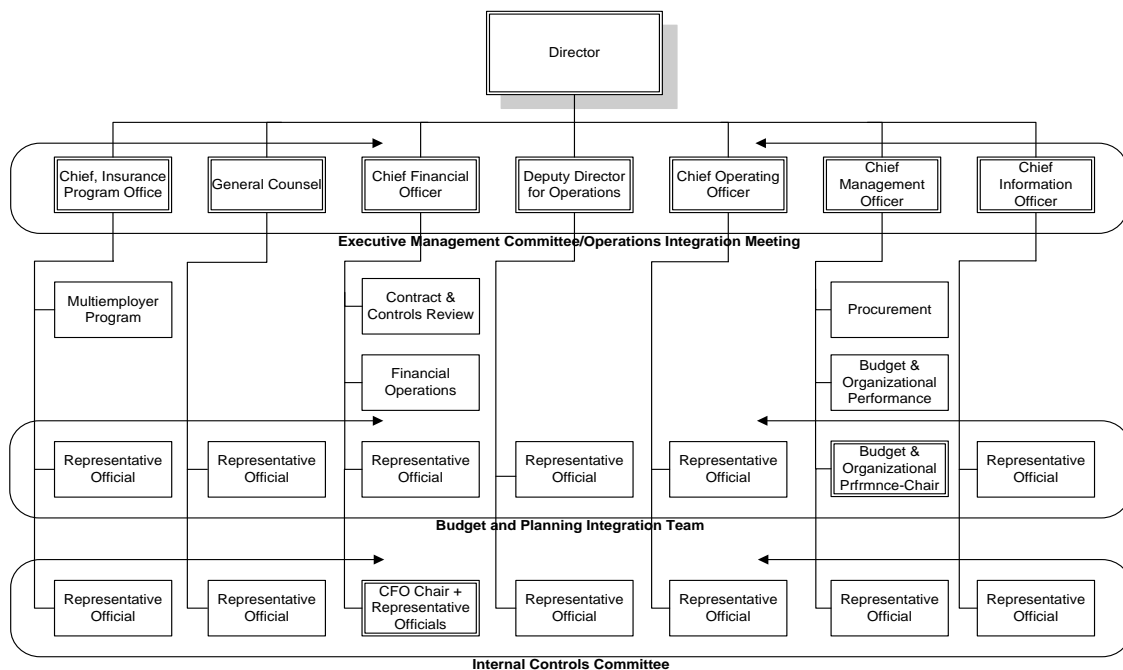
The CCRD is responsible for the audit of systems, processes, and procedures governing PBGC’s operations and accounting, as well as, risk assessment and auditing of the quality of spending data.

The Procurement Department (PD) is currently implementing an updated version of its Comprizon Suite software, adding resources to support the quality inspections of its contract data.

The Insurance Program Office is responsible for all matters related to the Multiemployer Program including reviewing applications for and providing financial assistance.

The governance structure is illustrated as follows:

PBGC Partial Organizational Chart: Spending Data Quality Governance Structure
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B. Risk assessment

PBGC's risk assessment focused on a number of works in progress that could impact the level of risk to data quality:

- Significant new or changed programs or operations
- Inadequate policy over data processes
- Extent of manual processes or applications
- New or revamped IT
- Findings from third party reviewers, such as GAO, OIG

While the systems and processes that our contractors work on contain much personally identifiable information (PII), our contracts, invoices and payments represent little to no risk to customer privacy, vendor confidentiality agreements, or other high risk security situations. Considering the number and timing of quality assurance steps, the impact of potential errors or incomplete data on USASpending.gov is minimal.

Multiemployer assistance totals about \$85 million per fiscal year. Even though many quality assurance steps in the transaction processes are manual, assistance payments have never been late. Timeliness and accuracy of data risks are negligible.

In following OMB guidance further, PBGC reviewed the governing principles and control activities associated with spending data, its control, and its availability to the public and other stakeholders. The review considered the following factors:

- Presentation and disclosure
- Existence and occurrence
- Rights and obligations
- Completeness and Valuation
- Segregation of duties
- Physical controls and security protocols – systems
- Management of systems information; software acquisition and maintenance
- Documentation of these controls

Within the Procurement Department's Comprizon system, the source system for spending data, there is no personally identifiable information (PII) housed so none can be accessed or transmitted in error. The contract data already compiled in Comprizon is currently automatically fed to the Federal Procurement Data System (FPDS) on an as-occurring

basis. FPDS data is fed daily to USASpending.gov through OMB processes. Both FPDS and USASpending.gov are in the public domain.

Multiemployer financial assistance is currently presented on PBGC's Open Government page in a clear, simple, downloadable spreadsheet. The spreadsheet contains a five year history of financial assistance and is updated quarterly.

Associated controls, available for review, and documented in accordance with OMB's A-123 requirements, are as follows:

- Budget Cycle Memo
- Purchasing, Accounts Payable and Related Expenses Cycle Memo
- Multiemployer Program Cycle Memo

C. Communications

PBGC's current customer outreach programs are considerable and include numerous stakeholder focus groups and periodic and annual surveys of services and our highly regarded websites for the public, pension practitioners, and retirees.

Most of PBGC's spending and other data of interest to our customers and pension practitioners are already in the public domain. PBGC's Open Government Plan will more specifically detail where each data set of interest will appear and in what format it will be published. Currently, all required contract spending data is entered into Comprizon, fed to the Federal Procurement Data System and subsequently made available to USASpending.gov through OMB processes.

Our financial assistance to multiemployer plans is one of the original high value data sets published on PBGC's Open Government web page at [Open Government at PBGC \(PBGC.gov\)](#)

D. Monitoring

A monitoring program encompassing quality testing and performance measures will be developed and results will be posted on PBGC's Open Government page.

Section 2: USASpending.gov Data

A. Categories of Data

- Loans: PBGC's multiemployer program accepts requests for financial assistance from multiemployer pension plans meeting stringent requirements of insolvency and demonstrating an inability to pay benefits when due. Full financial assistance agreements are completed and promissory notes are issued to the trustees of pension plans who, in turn, supply detailed banking records of all disbursements made to plan

participants. Details of multiemployer plan financial assistance are available on PBGC's Open Government page.

- Contracts: As noted previously, contract reporting is accomplished today through Comprizon and FPDS to USASpending.gov.

PBGC is not able to include sub-contractor reporting at this time due to resource constraints, moving system targets and unknown system integration with USASpending.gov requirements.

B. Compile

- PBGC reports contract spending today to USASpending.gov for all contract actions on an as-occurring basis with only OMB approved exceptions such as leases. The development of a quality program will assure completeness and accuracy of those records and transmissions. PBGC will add subcontractor data reporting as soon as practicable.
- Multiemployer plan financial assistance data is in the public domain today at [Open Government at PBGC \(PBGC.gov\)](#)

- C. Review

- PBGC's spending data review process has many manual steps with compensating control points and will remain essentially the same until financial system integration is complete.
- All systems inputs and outputs are cross-checked along the flow. Checks of purpose, scale, and detail of spending assure reasonably accurate data is recorded and passed to USASpending.gov.

D. Monitor

Quality performance of PBGC's USASpending.gov data delivery is currently adequate for stakeholders interested in our spending. PBGC has noted minor data issues and small risks and will continue to improve the quality of input to Comprizon by both users and procurement staff. Performance metrics and results and deficiencies found will be reported and summarized on PBGC's Open Government page.