



# **Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009**

**Data Quality Webinar  
July 23, 2009**

# Agenda



- Overview of Recipient Guidance
- Recipient Responsibilities
- Review Requirements
- Data Quality Scenarios
- Federal Responsibilities
- Recipient Reporting and Data Quality Timeline
- Review Process
- Quality Issues
- Questions and Answers

# Section 1512 Recipient Guidance



- OMB Memorandum M-09-21, *Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*
  - Memorandum Focus:
    - Answers questions and clarifies issues related to the mechanics and chronology of recipient reporting required by the Recovery Act;
    - Provides clarification on what information will be required to be reported into the central reporting solution at [www.FederalReporting.gov](http://www.FederalReporting.gov) and what information will be reported on [www.Recovery.gov](http://www.Recovery.gov);
    - Instructs recipients on steps that must be taken to meet these reporting requirements, including the incorporation of sub-recipient reporting requirements under Section 1512(c)(4) of the Act; and
    - Establishes a common framework for Federal agencies and recipients to manage a data quality process associated with the Recovery Act recipient reporting requirements.

# Recipient Responsibilities



## ■ Prime Recipients

- Owns recipient and sub-recipient data
- Initiates appropriate data collection and reporting procedures to ensure that Section 1512 reporting requirements are met in a timely and effective manner
- Implements internal control measures as appropriate to ensure accurate and complete information
- Performs data quality reviews for material omissions and/or significant reporting errors, making appropriate and timely corrections to prime recipient data and working with the designated sub-recipient to address any data quality issues

# Recipient Responsibilities cont'd



## ■ Sub-Recipients

- Owns sub-recipient data
- Initiates appropriate data collection and reporting procedures to ensure that Section 1512 reporting requirements are met in a timely and effective manner
- Implements internal control measures as appropriate to ensure accurate and complete information
- Reviews sub-recipient information for material omissions and/or significant reporting errors, and makes appropriate and timely corrections

✓ *Key take away point: You are responsible for the quality of your data.*

# Review Requirements



- Scope of Data Quality Reviews:
  - Accuracy, Completeness and Timely Reporting
  - Avoidance of two key data issues
    - Material Omissions
      - “Instances where required data is not reported or reported information is not otherwise responsive to the data requests resulting in significant risk that the public is not fully informed as to the status of a Recovery Act project or activity”
    - Significant Reporting Errors
      - “Instances where required data is not reported accurately and such erroneous reporting results in significant risk that the public will be misled or confused by the recipient report in question”



# Review Requirements cont'd

## ■ Conducting Reviews

- All reporters must establish internal controls to ensure accuracy, completeness and timely reporting
- Examples of internal controls/ checks and balances:
  - Establishing a data review protocol or automated process that identifies incongruous results (e.g., total amount spent on a project or activity is equal to or greater than the previous reporting)
  - Establishing procedures and/cross-validation of data to identify and/or eliminate potential “double counting” due to delegation of reporting responsibility to sub-recipient
  - Establishing control totals (e.g., total number of projects subject to reporting, total dollars allocated to projects) and verify that reported information matches the established control totals
  - Establish an estimated distribution of expected data along a “normal” distribution curve and identify outlier
- ✓ *Key take away point: Establish checks and balances before the reporting process begins.*

# Data Quality Scenario



## ■ Overview

- Primary recipient is State of X
- State of X awards funds to 1,000 sub-recipients
- State of X receives recipient reports and begins data quality reviews



# Data Quality Scenario cont'd



- Possible data quality checks
  - Verify control information
    - Number of submissions does not exceed 1,000 unique sub-recipients
    - Amount of awards reported does not exceed total of awards made
  - Check for material omissions
    - Data is not reported (e.g., percent of project completed, estimated number of jobs)

# Data Quality Scenario cont'd



- Possible data quality checks
  - Check for reporting errors
    - Sub-recipient reports 100% project completion yet has received minimal funding
    - Sub-recipient reports expenditures in excess of total amount of sub-award
    - Reported values show a decrease from a prior reporting period



# Data Quality Scenario cont'd

## ■ Possible data quality checks

### □ Look for outliers

- Expended amounts reported by sub-recipients are significantly over or under anticipated amounts
- Number of jobs created falls outside number of jobs created for awards of similar value and purpose

✓ *Key take away point: Data quality review process must scrutinize the data for potential Material Omissions and Significant Reporting Errors.*

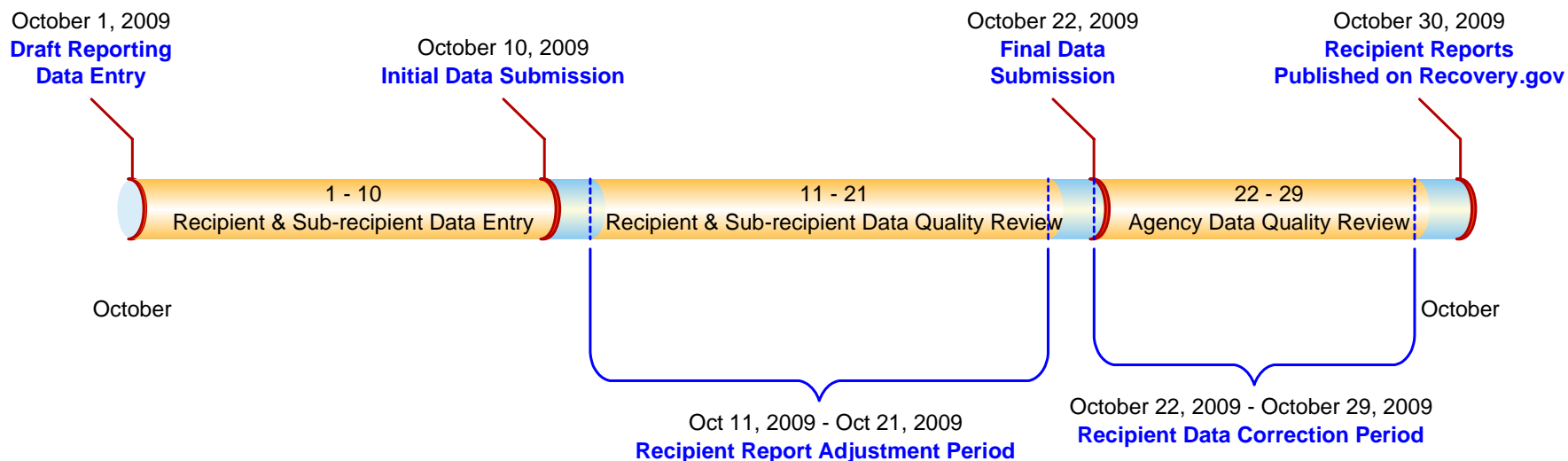
# Federal Responsibilities



- Additional review responsibilities:
  - Federal Agency
    - Provides advice/programmatic assistance
    - Performs limited data quality review
  - Oversight Authorities
    - Establish data quality expectations
    - Establish data and technical standards
    - Coordinate any centralized reviews
- ✓ *Key take away point: You are responsible for the quality of your data.*



# Recipient Reporting and Data Quality Timeline



# Review Process



- Process and Timing of Data Quality Reviews
  - Recipients and sub-recipients
    - Two opportunities to review data on Federalreporting.gov:
      - Prior to formal submission of data (10<sup>th</sup> day of reporting month)
      - Post submission of data (11<sup>th</sup> to 21<sup>st</sup> day of reporting month)
  - Agencies
    - Initial reviews of submitted data (11<sup>th</sup> to 21<sup>st</sup> day of reporting month)
    - Official review of submitted data (22<sup>nd</sup> to 29<sup>th</sup> day of the reporting month)
- ✓ *Key take away point: Recipients and Sub-recipients should be performing data quality reviews prior to entry and submission of data.*

# Quality Issues



## ■ Uncorrected Data Quality Issues

- Federal Agencies are required to continuously evaluate recipient and sub-recipient efforts to meet Section 1512 requirements as well as the requirements of OMB implementing guidance and any relevant Federal program regulations. In particular, Federal agencies will work to identify and remediate instances in which:
  - Recipients that demonstrate systemic or chronic reporting problems
  - Sub-recipients that demonstrate systemic or chronic reporting problems
  - Recipients that demonstrate systemic or chronic deficiencies in reviewing and identifying sub-recipient data quality issues
- Note: Such findings of a Federal agency could result in termination of Federal funding and/or initiation of suspension and debarment proceedings of either the recipient or sub-recipient, or both.

✓ *Key take away point: The quality of reported data will continuously be evaluated.*

# Quality Issues cont'd



## ■ Communication of Identified Issues

□ Federal agencies will be required to perform data quality checks similar to those previously described. In addition, Federal agencies will be required to classify submitted data (which may be organized by award or program), using the following three categories:

- Not Reviewed by Agency
- Reviewed by Agency with no material omissions or significant reporting errors
- Reviewed by Agency with material omissions or significant reporting errors identified

✓ *Key take away point: Uncorrected data instances will be made public on [www.Recovery.gov](http://www.Recovery.gov).*



# Conclusion



# Questions and Answers