



Open Government Initiative

May 2010

Federal Spending Data Quality Plan

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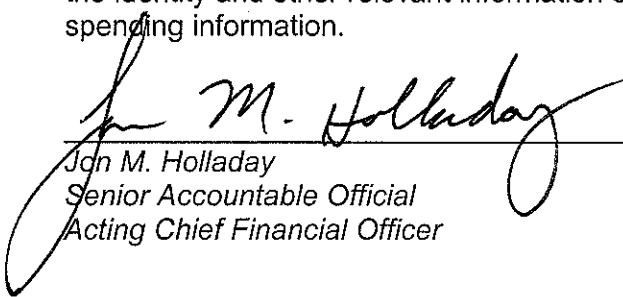
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SENIOR ACCOUNTABLE OFFICIAL CERTIFICATION

In accordance with the Office of Management and Budget's (OMB) *Open Government Directive – Framework for the Quality of Federal Spending Information*, the U.S. Department of Agriculture (USDA) has designated a Senior Accountable Official and included the following certification over its Federal spending data quality efforts.

In connection with the plans detailing information disseminated, as required by the *Open Government Directive*, the undersigned Jon M. Holladay, Acting Chief Financial Officer, hereby certifies that the information contained in the attached plan materially represents the identity and other relevant information over the quality and integrity of Federal spending information.



Jon M. Holladay
Senior Accountable Official
Acting Chief Financial Officer

5/14/2010
Date

I. INTRODUCTION

The *Open Government Directive* M-10-06, issued on December 8, 2009, provided guidance for implementing the open government initiative. It directed executive departments and agencies to take specific actions to implement the principles of transparency, participation, and collaboration set forth in the President's Memorandum on Transparency and Open Government, issued on January 21, 2009.

On February 8, 2010, a subsequent directive issued by the Office of Management and Budget's (OMB) Deputy Director for Management, *Open Government Directive – Framework for the Quality of Federal Spending Information*, provided guidance for agencies to follow in evaluating internal controls over data quality for Federal spending. It also required agencies to develop and submit a data quality plan for Federal spending to OMB that is consistent with the framework discussed within the guidance.

On April 6, 2010, a directive was issued by OMB Deputy Director for Management, *Open Government Directive – Federal Spending Transparency*, to provide guidance for agencies to initiate sub-award reporting pursuant to P.L. 109-282 the Federal Funding Accountability and Transparency Act (FFATA). It also provides a timeline for guidance to assist Federal agencies to meet Open Government goals, maintain metrics on quality and completeness of Federal spending data pursuant to FFATA. It also announces the release of the new USASpending.gov Website. The guidance to implement this directive is expected from OMB.

OMB's *Open Government Directive* reinforces the U.S. Department of Agriculture's (USDA) commitment to ongoing data quality initiatives. It focuses on the three cornerstones of open government, summarized as follows:

- *Transparency:* Accountability is promoted by providing the public with information about what the government is doing. This is especially critical given the current type and volume of information being disseminated, as well as the speed with which information will be made available to the public;
- *Participation:* Members of the public are encouraged to contribute ideas and knowledge so that their government can make policies with the benefit of information that is extensively dispersed in society; and
- *Collaboration:* The effectiveness of government is improved by encouraging partnerships and cooperation within the Federal government, across all levels of government, and between the government and private institutions.

II. PURPOSE

This document serves as USDA's Federal Spending Data Quality Plan ("Data Quality Plan") for implementing the *Open Government Directive – Framework for the Quality of Federal Spending Information*. It discusses the Department's Open Government goals specifically related to the transparency and quality of Federal spending information. The Data Quality Plan describes the significant types of Federal spending information that are disseminated by USDA. The Data Quality Plan establishes a framework, based on the Committee of Sponsoring Organizations (COSO) and the Government Accountability

Office's (GAO) Internal Control Standards, for establishing the governance structure, identifying areas of risk, and monitoring progress and performance. It also includes related data quality internal control initiatives. The Data Quality Plan addresses the coordinated efforts that are occurring within USDA to ensure the successful achievement of the data quality requirements.

III. USDA'S DATA QUALITY PLAN

USDA's Data Quality Plan addresses the processes and internal controls implemented over Federal spending information, including data quality control procedures. This Data Quality Plan has been developed to support the Open Government objective of creating and sustaining transparency across Government over data related to Federal spending information and improving the quality and integrity of such information.

Significant Federal Spending Information

OMB's *Open Government Directive – Framework for the Quality of Federal Spending Information* categorizes Federal spending information as financial data (budgetary and accounting) that have acquisition, program, and/or performance data linked to them. USDA distributes these types of data externally across various media including:

- USDA's Website,
- USASpending.gov,
- Data.gov,
- Recovery.gov, and
- CFDA.gov.

There are no plans within the next 6 months to publish Federal spending data sets beyond what is already published on the media portals listed above. USDA initially determined that the following Federal spending information will be included under this Data Quality Plan:

- Federal spending data provided to USASpending.gov;
- Data related to financial awards funded by the American Recovery and Reinvestment Act of 2009 (ARRA);
- Financial information included in the Performance and Accountability Report (PAR); and
- Expenditure information in USDA's Annual Budget.

Section 1: Implementation of the Data Quality Framework

This framework exists to support the dissemination of information that is objective, of high quality, and well controlled through internal policies and procedures over its compilation, review, dissemination, and monitoring. A discussion of the following accountability mechanisms includes:

- Governance Structure;
- Risk Assessment;

- Control Activities;
- Communications; and
- Monitoring.

Governance Structure

USDA's accountability framework leverages the established coordinated efforts that are occurring among all offices and agencies. This established framework supports the achievement of Federal spending data quality control objectives.

The Department intends to use existing *General Information Quality Guidelines* to ensure data quality. The guidelines are the quality standards that USDA agencies and offices follow in developing and reviewing information disseminated to the public. These supplementary guidelines focus largely on making the information useful to the public and include the following:

- ***Information should be relevant.***
Reference information should provide value to its intended users and effectively address the purpose for which it is produced. Identify the intended audience and the issues of concern to them to identify relevant topics of interest;
- ***Information should be presented clearly.***
Assess the level of knowledge of the target audience and present the information appropriately. Present the information in a clear, complete manner so that its intended audience can easily understand it. Keep language as simple as the subject permits. Use graphical materials in preference to additional text or statistical tables to communicate the message. Provide a point of contact to which users of the information may refer questions;
- ***Information should be current.***
Reference information should be as current as possible as of the date of its dissemination, and the text should indicate appropriate dates such as date of collection, compilation, and release. Review the information periodically as appropriate to ensure that it continues to meet quality standards and is appropriately categorized;
- ***The source of the information should be documented.***
Reference information that is based on the results of scientific studies, analyses, or statistical activities should identify the source of the information. Also, clearly identify the originating agency or office and provide a point of contact for questions or additional information;
- ***Information should be accessible.***
Make reference information easily accessible to its intended audience and make it available in media-print, electronic, visual, audio, etc., which are appropriate to accomplish that objective.

In support of the overall Open Government initiatives, the Chief Financial Officer (CFO) of USDA has been named the accountable official for Federal spending information. The Office of Financial Chief Officer (OCFO) uses the existing governance structure developed for the Federal Funding Accountability and Transparency Act (FFATA), the Federal Managers' Financial Integrity Act (FMFIA), Federal Financial Management Improvement Act (FFMIA), and OMB Circular A-123, *Management's Responsibility for*

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Internal Control, Appendix A, Internal Control over Financial Reporting (OMB Circular A-123, Appendix A) to comply with data quality standards for Federal spending as it relates to the Open Government Initiative. This structure is composed of the Senior Management Control Council (SMCC) and the Senior Assessment Team (SAT).

The standards monitored by the SMCC and executed by the SAT are set forth in FMFIA, FFMA, and OMB Circular A-123 Appendix A, and other data quality mandates such as OMB's Open Government Directive. These standards allow senior leadership to identify and mitigate risk and regularly review improvements to processes involving agencies' internal control over financial reporting. Through the SAT, USDA establishes a plan and executes the process for assessing the effectiveness of USDA's internal control over data quality. Through the SMCC and the SAT, USDA has established a top-down governance structure to support the oversight of data quality, including improvement efforts. The Data Quality Plan leverages these groups to identify the risk areas associated with Federal spending and the monitoring of processes and systems used to compile information.

The SMCC and SAT coordinate agency-wide efforts to monitor, assess, review, and improve information quality efforts. Both teams oversee USDA's internal control initiatives such as the OMB Circular A-123 Appendix A, annual assessment. The assessment will include monitoring results related to Federal spending information review activities.

The SMCC meets every other month while the SAT meets every other week. SMCC agenda items are solicited from the SMCC members, SAT members, and committee chairs. Potential agenda items are discussed and finalized at a pre-briefing of the SMCC meeting. Members of the SMCC include:

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Name	Title	Position
Pearlie S. Reed	Assistant Secretary for Administration	Chair
Jon M. Holladay	Chief Financial Officer (CFO)	Co-Chairperson (in absence of Chair)
Robin Heard	Deputy Assistant Secretary for Administration	Member
Scott Steele	Director Office of Budget and Program Analysis	Member
Chris Smith	Chief Information Officer (CIO)	Member
Karen Messmore	Chief Human Capital Officer (CHCO)	Member
Laura MacKenzie	Chief Financial Officer, Agricultural Marketing Service; Animal and Plant Health Inspection Service; Grain Inspection, Packers and Stockyards Administration	Member
Ricky Valentine	Chief Financial Officer, Farm Service Agency/Commodity Credit Corporation	Member
Van Jorstad	Chief Financial Officer, Rural Development	Member
Steve Butler	Chief Financial Officer, Food and Nutrition Service	Member
Donna Carmical	Chief Financial Officer, Forest Service	Member
VACANT	Chief Financial Officer, Natural Resources Conservation Service	Member
Lisa Wilusz	Chief Acquisition Officer (CAO)	Member
Phyllis Fong	Inspector General	Advisory Capacity

The SMCC's primary Federal spending data quality responsibilities include oversight of the internal control components for a number of Department efforts. These efforts include OMB Memorandum M-10-06, *Open Government Directive – Federal Spending Transparency*. As noted above, the SMCC oversees the SAT and its mission.

The SAT's primary Federal spending data quality responsibilities are to assist management in implementing an effective internal control framework, and fostering an organizational environment that supports the awareness of internal control. The SAT also plans and executes the process for assessing the effectiveness of the Department's internal control over financial reporting in compliance with OMB Circular A-123, Appendix A, American Recovery and Reinvestment Act of 2009 (ARRA), and OMB Memorandum M-10-06 (Open Government Directive).

Risk Assessment

USDA has several mechanisms in place that focus its data quality efforts using a risk-based approach. Risk assessments are performed as part of internal control assessments that include areas related to Federal spending information. These include the:

- Overall risk assessment under OMB Circular A-123, Appendix A;
- Improper Payments Information Act risk assessment under OMB Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*; and

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- Acquisition assessment, as required by OMB's Office of Federal Procurement Policy's (OFPP) memorandum on May 21, 2008, to Chief Acquisition Officers titled *Conducting Acquisition Assessments under OMB Circular A-123*.

These assessments address risk across USDA from the perspectives of governance, operations, strategy, reporting, and compliance.

USDA's approach to risk management is to periodically identify and prioritize key business risks. The identification and prioritization of key business risks is used by management to establish monitoring and mitigation strategies in order to prevent an adverse event from occurring, or to detect whether it has occurred. Monitoring is carried out as part of the OMB Circular A-123, Appendix A, testing.

USDA gathered these risk assessments and identified additional risks specific to Federal spending data quality. A survey was then disseminated to select managers within USDA to prioritize these risks based on the likelihood that they would occur, and the impact they would have if they occurred. This information is used to supplement the existing OMB Circular A-123, Appendix A risk assessment results and form a comprehensive view of the existing risks surrounding data quality. USDA will focus its efforts on remediating any material risks through the existing corrective action plan tracking process, and will establish risk mitigation plans for the high-priority risks identified. Mitigating risk factors have been developed to address Federal spending data quality objectives. These data quality objectives include:

- Ensuring that the production and dissemination of financial spending information is effective and efficient;
- Ensuring compliance with applicable laws and regulations; and
- Verifying that reported financial information is reliable.

The identification, validation, and prioritization of significant risks are based on:

- OMB's *Open Government Directive – Framework for the Quality of Federal Spending Information*;
- Issues identified through internal control assessment; and
- Program and agency-specific risk.

When assessing data quality risks, USDA considers the following factors:

- Accuracy, completeness, and timeliness of financial information;
- Identification of recipients (accuracy and privacy concerns);
- Geographic location;
- Clearly defined data elements and consistent use of the data terminology and definitions; and
- Security over information, e.g., Personally Identifiable Information (PII).

A summary of the risk assessment results is provided in Appendix B. A complete list of the objectives and risk components agencies were required to assess is provided in

Appendix B, as is a synopsis of the factors agencies were to consider when rating each risk.

Control Activities

USDA recognizes that proper internal control over information quality extends beyond the governance committee and the performance of risk assessments. Adequate policies, procedures, and controls must be in place at agencies to manage risk, to ensure compliance with OMB's directives, and to achieve Open Government objectives.

To help ensure that controls are operating effectively and to identify areas that need improvement, USDA implemented activities that monitor the quality of information. The Data Quality Plan uses the standards for internal control defined by the Government Accountability Office (GAO). The assessment of controls will occur as part of the annual OMB Circular A-123, Appendix A assessment activities. The Department's annual OMB Circular A-123, Appendix A assessment provides a foundation for all control activities using a top-down, risk-based approach. The approach focuses on risks related to achieving program-level objectives and reliable financial reporting. It also assesses and reports on the efficiency and effectiveness of the controls established to address those risks.

Detailed guidance on conducting the annual assessment, including the roles and responsibilities of agencies, is provided in USDA's *Guidance for Implementation of OMB Circular A-123, Management's Responsibility for Internal Control*. The guidance requires USDA's agencies to annually update business process documentation and perform testing of key controls in material business processes. In years prior to Fiscal Year (FY) 2010, material business processes requiring testing included all of the processes related to Federal spending: Financial Reporting, Funds Control Management, Funds Management, Grants Management, Purchase Card Management, Credit Management – Direct Loans. For FY 2010, the material business processes requiring testing include Financial Reporting, Funds Control, and Funds Management.

With the passage of ARRA in March 2009, USDA enhanced its efforts to increase the transparency and accountability associated with government spending. These efforts included the implementation of additional oversight controls to address the increased volume and types of information being disseminated. The Department also looked at the completeness, accuracy, and timeliness of the information provided to the public.

USDA released the *Federal Financial Assistance Transparency Guidance* in July 2009, which includes sections dedicated to ensuring transparency and accountability over ARRA spending. ARRA stipulates that "the recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately and in a timely manner." This objective is applicable both to ARRA funds and all types of Federal spending, and aligns with the objectives of the *Open Government Directive*.

The policies referenced above will be updated yearly, if applicable.

Communication

USDA has established a coordinated strategy to support communication within the

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organization, as well as externally, so that it is relevant, reliable, and timely. This is particularly critical in the current environment where more information is being made available to the public at a quicker pace. Additionally, as per USDA's Open Government Plan published April 7, 2010, the Department is soliciting more feedback and collaboration with the public. USDA's communications strategy establishes clear accountability for providing accurate, timely, and transparent reporting to both internal and external stakeholders. A key aspect of this strategy is early reporting of risks or issues identified and developing associated action plans, to help prevent major issues from occurring.

Internal stakeholders include program managers and individuals responsible for daily operations related to Federal spending information quality. External stakeholders include the American public, recipients of Federal funds, Congress, and the Executive Office of the President. To address the needs of each stakeholder group, USDA has implemented an ongoing communications and collaboration process that includes the following information collection and dissemination methods.

- *Internal Stakeholders.* Ava Lee, Director of Performance and Accountability Division, represents OCFO's Data Quality Team in policy coordination efforts between OCFO and various agencies; she also communicates OCFO's Open Government Data Quality for Federal spending data project status to the SMCC. Due to USDA's decentralized agency structure, the responsibility of data quality for Federal spending data within each component agency lies with each component agency's CFO. Other communication with internal stakeholders will be accomplished primarily through meetings, teleconferences, and electronic communications. The SMCC and SAT meet regularly to discuss accomplishments and concerns related to data quality control efforts. Status meetings with senior USDA officials and program managers will continue to be held.
- *External Stakeholders.* There are several portals through which information is provided to external stakeholders. These media include USDA's Website, Recovery.gov, Data.gov, and USASpending.gov. As required by OMB's M-10-06, the Department has also created an Open Government Website, www.usda.gov/open. The site will serve as the primary gateway for Departmental activities related to the Open Government Directive. It is designed to provide external stakeholders with key announcements related to open government and expanded access to information online in open formats. This site's main benefit is that it allows the public to share ideas on Open Government, discuss them with each other, and express agreement or disagreement with the ideas. Thus, the most popular ideas "rise to the top" for closer review by the agency. This page will also include relevant links to other Websites with Federal spending information.

Monitoring

All spending information disseminated to the public through USDA's Website or other medium is subject to USDA's information quality guidelines and any individual agency procedures. Departmental information quality guidelines can be found on USDA's OCIO Website, www.ocio.usda.gov/.

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Agencies are responsible for regularly monitoring the data related to Federal spending. Monitoring ensures that open government data quality and transparency objectives are being achieved. Monitoring efforts include program reviews at each agency, such as the annual OMB Circular A-123, Appendix A assessment, the Federal Procurement Data System – Next Generation (FPDS-NG) data quality review, and OMB's required Acquisition Assessment.

As required under OMB Circular A-123, Appendix A, USDA integrates reviews, testing, and monitoring within the agencies. Specific reviews, processes, testing and risk mitigation occur in the areas of financial reporting, grant management, and acquisition. The OMB Circular A-123, Appendix A process also identifies deficiencies in the current environment (governance, risk assessment, systems and processes, communications, and monitoring). The Department established a corrective action plan monitoring process to support the prompt and proper resolution of identified deficiencies and implementation of corrective actions to address those deficiencies.

USDA also performs a data accuracy assessment of contract action information in FPDS-NG as required by OMB's Office of Federal Policy and Procurement (OFPP), per the October 7, 2009, OMB Memorandum, *Improving Acquisition Data Quality for FY 2009 and 2010*. As part of the assessment, USDA's Office of Procurement and Property Management (OPPM) updates the associated data quality plan, provides an annual certification of the accuracy and timeliness of the data, and conducts a FPDS-NG data quality review which requires a detailed assessment of specific data fields for contract actions entered into FPDS-NG. In addition, as required by OFPP's memorandum to Chief Acquisition Officers titled *Conducting Acquisition Assessments under OMB Circular A-123*, OPPM conducts an annual assessment of USDA's entity level controls over the acquisition function in conjunction with the Department's overall A-123 efforts.

Key performance metrics have been established to support USDA's monitoring efforts of Federal spending data quality. For example, an accuracy rate target has been established, and is assessed against the results of testing conducted to compare the contract action information entered in FPDS-NG to the contract action file to determine whether the information is being accurately entered into FPDS-NG. In addition, targets have been established by USDA as they relate to the timeliness of contract actions and Federal financial assistance information reported to USASpending.gov.

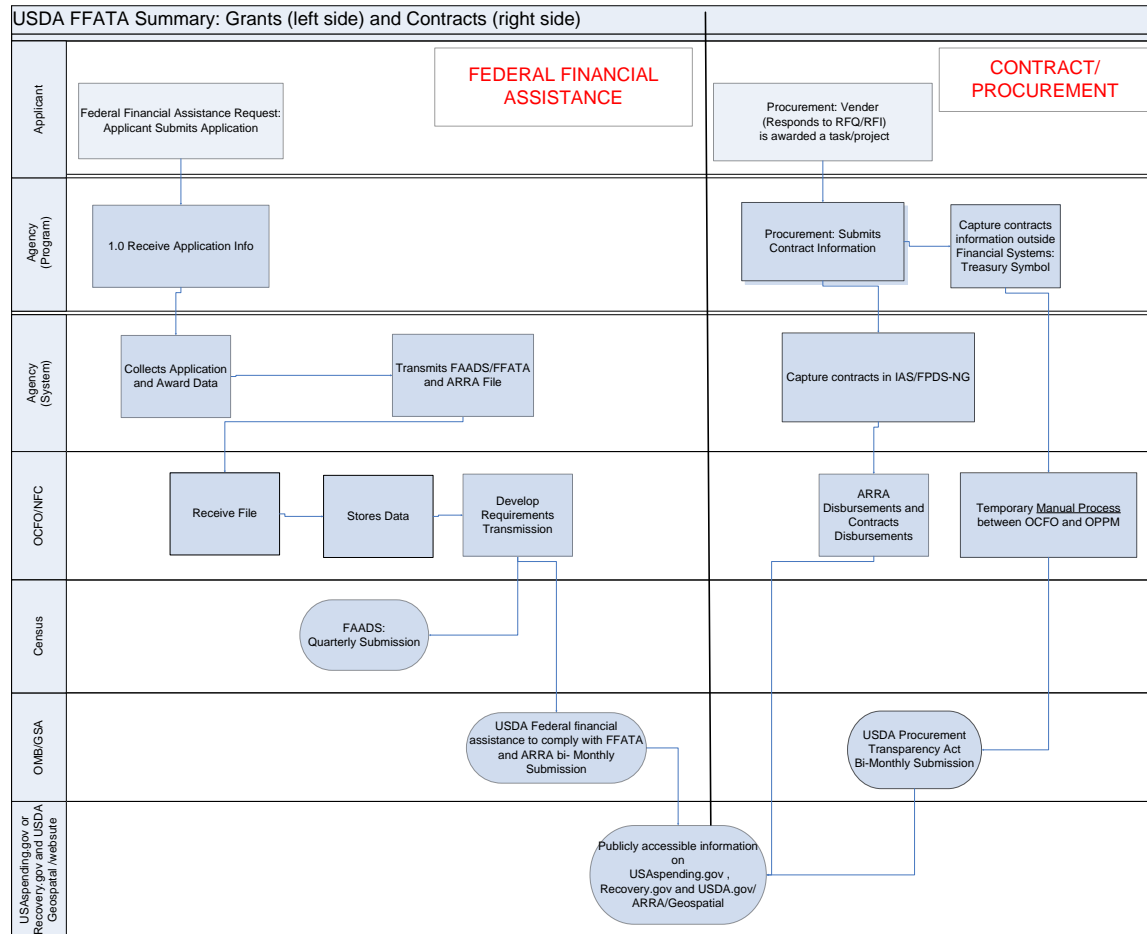
Section 2: USASpending.gov Data

This section describes how USDA's Data Quality Framework, discussed in Section I, will be applied specifically to Federal spending data submitted to USASpending.gov.

Currently, USDA's Federal spending data submitted to USASpending.gov consists of contracts and Federal Financial Assistance (FFA). Information on contracts is compiled through FPDS-NG, and FFA data is provided to USASpending.gov directly. The following sections provide an overview of the procedures to compile, monitor, and review contract and FFA data.

The following illustration reflects at a high-level the ideal flow of the information regarding FFA and procurement awards as separate/parallel processes.

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A. Contract Data

USDA's contracts consist of the following types: Purchase Orders, Delivery Orders, Definitive Contracts, Blanket Purchase Agreements (BPA), Indefinite Delivery Vehicles, Blanket Order Agreements, Other Indefinite Delivery Vehicles, and BPA Calls. Contract actions are divided into two main subgroups: Goods and Services Procured and the Commodity Purchasing Programs.

Compilation

USDA's regular contract actions are compiled and reported through the Integrated Acquisition Systems (IAS). IAS is owned by OPPM. The agencies enter non-commodity contract data into IAS to process awards and compile contract –related data for submission to FPDS-NG. IAS creates a FPDS-NG process step to be completed by a designated individual (usually the contract specialist or purchasing agent). This individual completes the FPDS-NG process step prior to the award being approved. Once approved, IAS transmits all required data fields to FPDS-NG.

The contracting specialist is responsible for compiling information throughout the course of the procurement. Procurement information is collected through process documents, internal and external communications, and fact-finding that encompasses requirements

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development, market research, pre-solicitation, pre-proposal, source selection, and award activities. Information collected is entered into IAS and IAS automatically feeds into FPDS-NG in real time, which then feeds directly into USASpending.gov monthly, which minimizes the risk of incomplete or inaccurate data that could result from manual data entry.

The compilation process for the commodity purchasing program is primarily a manual process. Data for commodity purchases are manually entered weekly into the Purchased Commodities Inventory Management System (PCIMS). Each Friday, such data are printed onto abstract reports and manually entered into FPDS-NG via a direct entry portal. At various points of this process, agencies reconcile the total number of records and the total dollar amount of data entered into FPDS-NG against system reports from PCIMS and/or their financial accounting system. Discrepancies are researched and resolved within 3 business days.

Review

Agencies have a variety of internal controls to ensure that non-commodity contract data are appropriately reviewed and approved prior to dissemination. Individual agencies identify the appropriate level of management required to review and approve requisitions. Furthermore, OPPM's *Procurement Management Narrative* requires the designated agency budget approver to confirm that the requisition was properly approved by the designated management approver. In addition, depending on the type of requisition, the designated agency requisitioner may enter additional approvers needed, besides the final agency budget approver. Contracting specialists are generally responsible for reviewing data applicable to their contracts and verifying data accuracy. Contracting officers must certify that the contract information has been entered accurately into FPDS-NG. Agencies use the contract writing tool within IAS to leverage the system's checks and balances and review all data. Data quality reviews are conducted in compliance with OPPM's *Procurement Management Narrative*, dated April 13, 2009, and *Agriculture Acquisition Regulations*, dated April 4, 2005.

OPPM also instructs agencies to conduct annual data quality reviews of significant depth to verify that all contract awards, both commodities and non-commodities, are reported in FPDS-NG accurately and timely. Annually, agencies are required to submit a certification of accuracy of all contract data entered into FPDS-NG. A randomly generated sample of contract action records in FPDS-NG is made for each agency by OPPM for data field validation purposes. Each agency's Head of Contracting Activity (HCA) is required to compare the randomly selected contract action files to the individual data fields entered into FPDS-NG. The HCA then submits the information to the Director of OPPM along with the FPDS-NG accuracy certification. OPPM uses key performance metrics to calculate accuracy percentages. If an agency fails to meet the 95-percent accuracy threshold, additional samples are validated. Discrepancies are updated in FPDS-NG. Results are submitted to OFPP annually. Additional details of OPPM's [Data Quality Plan](#) are at the [policy section of OPPM's website](#).

Monitoring

Automated internal controls have been implemented in IAS to provide for completeness of the data reported to USASpending.gov. For example, the submission of contract award information to FPDS-NG is embedded within the process steps. This feature

prevents awards from being finalized or funded until submitted to FPDS-NG. Such a process ensures that complete contract data are being uploaded to FPDS-NG.

Additionally, OPPM established the Control Board Database Team. The Team consistently monitors daily operations of multiple systems, including IAS and the related interface to FPDS-NG.

Commodity-purchasing agencies perform quarterly reconciliations between the Processed Commodity Inventory Management System (PCIMS) and FPDS-NG data.

See the listing of current Federal spending data sets published in the “Significant Federal Spending Information” section above.

Contract Data Quality Risks and Improvement Opportunities

The following risks and improvement opportunities related to data quality of contract action information were identified:

FPDS-NG is currently not capturing more than one Treasury Account Symbol (TAS). For Federal spending items with more than one TAS, only the predominant TAS is being recorded in the system, which results in incomplete and inaccurate contract records. Modifying FPDS-NG to accept more than one TAS per contract item will mitigate this risk.

Manual entry is required to enter commodity contract actions into PCIMS, and subsequently to enter data into FPDS-NG. This weekly submission is not subject to automated controls, as evident in IAS and the manual review accuracy controls noted in OPPM's *Procurement Management Narrative*. This results in possibly inaccurate information in FPDS-NG due to manual entry errors. This risk is monitored as part of the annual review to verify and validate data in FPDS-NG against the contract files. Periodic data analysis and reviews are also conducted to promote data accuracy. Furthermore, USDA is in the process of implementing a new commodity management system, Web-Based Supply Chain Management (WBSCM), to replace PCIMS. WBSCM will automatically populate some fields in FPDS-NG. Such automation will mitigate the risks associated with a manual entry process.

B. Federal Financial Assistance Data

USDA administers a number of Federal assistance programs. Data reported through USASpending.gov include formula grants; project grants; direct payments for specified use; direct payments with unrestricted use; Federal awards; insurance; direct payments with unrestricted use; sale, exchange, or donation of property or goods; use of property; facilities or equipment; provision of specialized services, advisory services and counseling; and dissemination of technical information. Agencies are required to send all FFA data to USDA's National Finance Center (NFC). NFC uploads the data to USASpending.gov.

Compilation

Federal financial assistance data are compiled by each agency into a “flat” file which exemplifies the FFATA/FAADS data scheme. The agencies send the “flat” file to NFC on

the 5th and 20th of each month. NFC reviews the file via a data check program prior to submission to USASpending.gov (see the Review section below). After the review, the “flat” file is uploaded to USASpending.gov in the Federal Assistance Award Database System (FAADS) PLUS Data Layout. The file includes the grantee name, grant amount, Federal funding amount, non-Federal funding amount, catalogue of Federal domestic assistance (CFDA), place and period of performance, TAS, recipient contact, the Dun and Bradstreet Corporation Data Universal Numbering System (DUNS) number, State, and congressional district.

Review

Prior to submission to NFC, each agency’s CFO is required to certify that the FFA data provided are valid, accurate, complete, and have been thoroughly reviewed to ensure completeness and accuracy. NFC will not upload the FFA data to USASpending.gov until the Certification Template signed by the agencies’ CFO or CFO designee is received.

After the agencies submit FFA data to NFC, NFC performs a review to ensure the data file is correctly formatted and ready for transmission to USASpending.gov. Agencies are notified of any records that need revision. Such records are not processed further until they are properly revised by the agencies in accordance with the FFATA/FAADS data schema. Once this review is complete, a FAADS Plus report is generated. The report is submitted to the appropriate agency parties for review. The data within the FAADS Plus report are compared to the financial system to ensure that data are accurate and complete. Any identified discrepancies are resolved prior to the final submission of data to USASpending.gov.

Monitoring

Prior to submission to NFC, designated agency officials are responsible for working with OCFO staff to securely and effectively transmit agency FFA data monthly. Twice a month, each agency provides OCFO a gap analysis report with its CFO certification that identifies: current data gaps in its FFATA submission; describes agency quality and assurance measures; and outlines plans to address deficiencies in future data submissions. This report contains the location of the gap(s), the reason why they exist, the approach the agency intends to use to capture the appropriate data element, and when the update will be submitted. Each gap analysis report contains:

- Summary;
- Data completeness (what data elements/programs are missing?);
- Data quality (where does the data quality and consistency require improvement?);
- Data source (what systems are feeding the data?),
- Strategies to improve on existing gaps and ensure they do not resurface, and
- Timeline to address gaps.

USDA agencies provide this gap analysis to the appropriate OCFO designee who will then compile the details into a single submission for OMB. Agencies are expect to

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execute a gap analysis report monthly until such time that agencies and OCFO concur that all gaps have been sufficiently addressed.

For further data monitoring, NFC established an internal Website that tracks agencies' data submissions including any errors/warnings generated. It also indicates when such data submissions are forwarded to OMB. This monitoring tool enables agencies to track errors in their submissions. The tool also provides clear communication as to which data submissions have been sent to OMB and need revisions.

Federal Financial Assistance Data Quality Risks and Improvement Opportunities

Through the FFA data review processes (noted above), USDA identified data quality improvement opportunities related to the correction process of FFA data already uploaded to USASpending.gov. To address this challenge, the Department is currently working to define a standardized data entry schema to be implemented by all agencies.

In addition, FFA data submitted to USASpending.gov are not managed in a universal system at USDA, and have a decentralized internal control structure. Therefore, completeness of data being submitted to NFC is difficult for the Department to verify. Compensating controls, such as the individual agencies' CFO certifications mitigate this challenge.

Appendix A: Objectives and Factors Considered for the Risk Assessment

Data Quality Objectives:
Operations producing and disseminating financial spending information are effective and efficient.
Applicable laws and regulations are complied with.
Financial information that is reported is reliable.
Points to consider when assessing risk related to achievement of data quality objectives:
Does my organization have a corrective action plan process in place to promptly resolve the audit/review findings identified that may impact the ability to ensure the quality of data?
Are specific data quality objectives and requirements incorporated into Department / agency policies?
Does my organization have staff adequately trained to effectively implement data quality requirements?
Can the financial and operational systems/ applications support the increase in volume of Federal spending information as well as additional oversight requirements?
Does my organization have reporting mechanisms in place to collect the required data from recipients to meet Recovery Act transparency requirements?
How are data developed and processed? Are they pulled from a system external the Department? Is there a system to system feed? Is it manually created within an agency and then uploaded via system feed? Is it manually created and manually uploaded?
What processes control the quality of data coming into the Department?
Potential Risks to the Achievement of Data Quality Objectives:
Inaccurate or incomplete data in IT systems due to user error.
Inaccurate or incomplete data in IT systems due to system interface error.
Unauthorized access to IT systems.
Unauthorized configuration changes.
Inadequate systems capabilities, integrations, and/or performance.
Submission of inaccurate program and/or financial reports.
Submission of inaccurate data to USASpending.gov.
Submission of untimely data to USASpending.gov.
Submission of incomplete data to USASpending.gov.
Existing staffing levels are not sufficient to achieve data quality objectives.
Complexity or magnitude of programs, operations, or transactions.
Significant new or changed programs / operations.
Reliance on estimates.
Inadequate policies over data processes.
Highly manual process that relies upon spreadsheets and manually generated data created outside of the application / system.
Decentralized versus centralized reporting.
New personnel or significant personnel changes.
New or revamped information systems or technology.
New or amended laws, regulations, or accounting standards.

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Existing control deficiencies / findings from third-party reviews (i.e., Financial Statement auditors, Government Accountability Office or Inspector General reports).
Variation of activities and application systems
Regularity of activities and application systems
Extent of people, steps, applications involved in cycle activities and application systems
Information which, when published individually or combined with other public data, could harm national security, invade personal privacy, or unduly influence market conditions.
Elements of particular interest to the public are inaccurate or misrepresented.
Sufficient administrative support funds are not available.
Confidentiality regulations are not satisfied.
Data privacy restrictions are violated.
Data security is breached.
Unauthorized revision of data.
Data received from outside / third party sources are incomplete or inaccurate.
Application / system does not allow for easy generation of ad hoc or custom reports or queries.
Data are biased.
Data are not useful to intended users.

Appendix B: Data Quality Risk Assessment Results Summary

Risk Rating Criteria - Impact		
SCORE	RATING	RISK
5	Critical	If the risk occurred it would result in the inability to achieve data quality objectives
4	Significant	
3	High	If the risk occurred it would result in some affect on meeting data quality objectives
2	Moderate	
1	Low	If the risk occurred it would result in no affect on achieving data quality objectives

Risk Rating Criteria - Likelihood		
SCORE	RATING	CERTAINTY
5	Expected/Exists	Event is expected to occur in most circumstances, or has already occurred
4	Highly Likely	
3	Likely	Event should occur at some time
2	Not Likely	
1	Slight	Event will not occur or will only occur in exceptional circumstances

Risk 1	Extent of people, steps, applications involved in cycle activities, and application systems.			
Average Risk Rating	Impact	3.9	Likelihood	2.5
Description: The risk that data quality objectives will not be met due to the extent of people, steps, applications involved in cycle activities and application systems was the highest rated risk in terms of both impact and likelihood. The key risk is associated with the amount of handling the data must go through to get through the process cycle. In addition, risk is also related to the adequacy of system and process design requirements.				
Mitigating Factors: The following measures are being taken to mitigate the impact and likelihood of this risk materializing into an issue:				
<ul style="list-style-type: none"> • OCFO developed and enacted the Federal Financial Assistance Transparency Guidance to enforce specified steps which include performance metrics against data quality objectives. • Sufficient training is provided on the use of the systems and/or technology and process. • Only qualified personnel are given access to information systems. • Integration of systems for automated data transfer and data look-ups for validation. 				
Risk 2	New or amended laws, regulations, or accounting standards.			
Average Risk Rating	Impact	3.2	Likelihood	2.6
Description: The risk that data quality objectives will not be met due to new or amended laws, regulations, or accounting standards was the second highest rated risk across the Department in terms of both impact and likelihood. The new or amended regulations relate to				

the various OMB memorandums being issued related to Open Government's data quality objectives and new reporting requirements. The key risk is associated with the time it takes for personnel to become familiar and efficient with the new process to meet defined reporting requirements.

Mitigating Factors: The following measures are being taken to mitigate the impact and likelihood of this risk materializing into an issue:

- Formation of the OCFO Open Government Data Quality Team to operationalize and update the USDA Data Quality Plan on a regular basis.
- Leveraging of existing governing bodies such as SMCC and SAT to monitor and communicate new laws, legislations, or accounting standards related to data quality for Federal spending.
- Planned revision of the existing Federal Financial Assistance Transparency Guidance to incorporate new regulations since the guidance was last issued.

Risk 3 | Variation of activities and application systems.

Average Risk Rating	Impact	3.0	Likelihood	2.4
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Description: The risk that data quality objectives will not be met due to the variation of activities and application systems was the third highest rated risk across the Department in terms of both impact and likelihood. The key risk is associated with USDA's decentralized structure, which incorporates a slight variation of how each agency processes federal financial assistance data along with the applications used to process these data.

Mitigating Factors: The following measures are being taken to mitigate the impact and likelihood of this risk materializing into an issue:

- Centralized process for submission of Federal financial assistance data to USASpending.gov
- Standardized data entry schema for all agency submission of Federal finance assistance data to USASpending.gov
- OCFO developed and enacted the Federal Financial Assistance Transparency Guidance to enforce specified steps which include performance metrics against data quality objectives for all USDA agencies.