

# **Government Accountability and Transparency Board**

March 27, 2013, Minutes

A meeting of the Government Accountability and Transparency Board (GAT Board) was held at the Recovery Accountability and Transparency Board (Recovery Board) Office in Washington, D.C. on Wednesday, March 27, 2013, at 10:00 a.m. and continued until 11:37 a.m.

## **ATTENDEES:**

### **Board Members:**

Richard Ginman, Chairman and Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense  
David C. Williams, Vice Chair and Inspector General, U.S. Postal Service  
Daniel Levinson, Inspector General, U.S. Department of Health and Human Services  
Ellen Murray, Assistant Secretary for Financial Resources and Chief Financial Officer, U.S. Department of Health and Human Services  
Calvin Scovel, Inspector General, U.S. Department of Transportation  
Kathleen S. Tighe, Inspector General, U.S. Department of Education  
Daniel I. Werfel, Controller, Office of Management and Budget

### **Agency Staff:**

Brett Baker, Assistant Inspector General for Audit, National Science Foundation  
Ross Bezark, Executive Director, GAT Board, and Chief of Staff, Recovery Board  
Norman Dong, Deputy Controller for the Office of Federal Financial Management, Office of Management and Budget  
Elizabeth Goebels, Audit Manager, National Science Foundation Office of Inspector General  
Nancy Gunderson, Deputy Assistant Secretary for Grants and Acquisition Policy, U.S. Department of Health and Human Services  
Karen Lee, Chief of Management Controls and Assistance Branch, Office of Management and Budget  
Karen Pica, Acquisition Workforce Management, Office of Federal Procurement Policy  
Edward Pound, Director of Communications, Recovery Board  
Dorrice Roth, Deputy Chief Financial Officer, Department of the Treasury  
LeAntha Sumpter, Deputy Director, Defense Procurement and Acquisition Policy, U.S. Department of Defense  
Cynthia Williams, Board Secretary, Recovery Board

## **DISCUSSION:**

Mr. Ginman called the meeting to order at 10:00 a.m. By unanimous vote of the members present, the minutes of the February 25, 2013 meeting were approved. Mr. Ginman introduced the invited guests and provided an overview of the meeting agenda. He informed the members that information provided in the Procurement Data Integrity working group briefing would open the door to a discussion of the role and responsibilities of the fourth working group, proposed by the members during the February 25 GATB meeting, officially titled the Financial Management Integration and Data Display working group.

There was a brief discussion of the “Way Forward” document. Mr. Ginman suggested, and the members agreed, to allow one additional week for final review and comment. The members also agreed to publish the final document on the [FederalTransparency.gov](http://FederalTransparency.gov) website.<sup>1</sup>

Mr. Ginman provided the members with a brief history of the efforts underway within the Office of the Secretary of Defense (OSD) to improve the integrity of procurement data. He discussed the role of Ms. Sumpter in these efforts, that she has taken the lead within OSD to determine the approach for accomplishing transparency in the procurement arena, that she engaged many internal functional stakeholders (e.g., from CAO, CFO, CMO communities), and that the internal DoD effort has now broadened to engage federal-wide stakeholders.

Ms. Sumpter provided the members with a briefing that covered a wide-range of strategic and operational level information on the work spearheaded by the Procurement Data Integrity working group.<sup>2</sup> Ms. Sumpter and Mr. Ginman commented that the initial efforts surfaced as attempts to improve operational efficiencies and that improved transparency was a natural by-product of these efforts.

Ms. Sumpter then discussed the major shifts that have occurred to improve data integrity and drive data standardization. She provided a detailed description of the working group’s objectives and defined the roadmap the group developed to accomplish transparency in procurement. She commented the evolution of information technology had resulted in myriad systems housing segments of the life cycle data, as well as the ability to extract data from these various sources. She added that the working group’s goal is to build the architecture for its vision of using a data-driven approach and develop the measures of compliance agencies will use to report.

Ms. Sumpter identified the participants and agencies involved in the procurement data integrity initiative, which comprises collaborative, government-wide, cross-functional efforts that leverage existing federal-wide working groups, such as the Chief Acquisition Officer’s Council (COAC). Ms. Sumpter briefed the group in detail on the policy plan of action and described the status of each action item. She also discussed the processes that are being shaped to ensure tracing and tracking capabilities of funds from contract action through treasury disbursement. There were questions from the members regarding the scope of the working group. Some members questioned if the approaches and recommendations were feasible government-wide. Mr. Ginman commented that a key goal is to create a “data tagging” approach capable of passing data electronically between systems. This would yield a data-driven solution, where we can track critical data, rather than mandating a single system (or systems) hold all needed data. He added that if this goal could be accomplished within the Department of the Defense, it could serve as a procurement model across the federal government. He also added that each effort is being driven government-wide through regulatory cases in the Federal Acquisition Regulation.

The members engaged in an in-depth discussion of the minimum data standards needed to tie federal appropriations to obligations. The members debated the number of mandatory data standards included in the working group recommendation and the level of complexity in each action needed to achieve the standards. Mr. Williams commented on the seeming difficulty of navigating through the process to get to the desired data. Mr. Werfel cautioned against over-

---

<sup>1</sup> The adopted version of the “Way Forward” document is posted on [FederalTransparency.gov](http://FederalTransparency.gov), at: <http://www.federaltransparency.gov/about/Pages/gatb.aspx>

<sup>2</sup> Upon approval, the Procurement Working Group briefing is expected to be made available on [FederalTransparency.gov](http://FederalTransparency.gov).

standardizing the federal government and asked the members to consider if the approach over-complicates what could be a short-term deliverable. Mr. Ginman commented that the recommended approach for procurement seeks to establish data standards for four points in the lifecycle: funding, order, receipt, and payment. The members agreed that key data standards across agencies are needed and continued to discuss the most efficient approach.

The members then engaged in a brief discussion of potential costs to implement changes. Mr. Ginman reported that the members participating in the working group have not indicated that the recommended plan of action would result in significant costs for their agencies. He also reminded the members that the working group believes that the data needed is already available and no additional information will need to be collected. Mr. Werfel suggested several next steps. These included inviting members of the Financial Management Integration and Data Display working group to participate in a follow-up discussion on data standards, achieving consensus on a set of standards that is the right solution in the near-term, and determining the cost and length of time needed for agencies to implement the standards.

Mr. Williams informed the members that the Data Analytics working group is missing foundational information on existing data sets and attributes. The members discussed how best to obtain this information. Mr. Werfel suggested that any changes to the attributes should be determined by the full GAT Board. Several members suggested that the Financial Management Integration and Data Display working group should lead this effort. Ms. Lee agreed to coordinate the efforts with the Financial Management Integration and Data Display and the Data Analytics working groups.

The members discussed the sequence of the next working group briefings and the agenda items for upcoming meetings. The members agreed that the data analytics briefing would occur on April 24, followed by a data standards discussion with the Financial Management Integration and Data Display working group on May 23, and the grants data integrity and standardization briefing on June 26.

The next GAT Board meeting is scheduled for April 24, 2013.

---

**Cynthia Williams**  
**Secretary**

# GATB Update

Procurement Working Group

March 27, 2013

# Procurement Working Group

**Problem Statement:** The citizens of the United States of America have a right to know how their Government spends their money. Citizens must have the ability to know the amounts that are set aside for certain purposes, and when and where agencies spend this money. They should be able to know whether funds are expended wisely and with integrity.

**Procurement Plan:** To ensure that **key data standards, standard electronic transactions and processes are identified and established in regulation** to enable the financial community to uniquely trace electronic transactions from purchase request to payment for procurement contract actions.

**Objective:** To strengthen procurement and financial management operations while ensuring efficient and effective outcomes that enable transparency

# Participants

- Lead - DoD Procurement (with support from DoD Deputy Chief Financial Officer)
  - Procure to Pay Process Owner's Working Group (P2PPAWG)
- Chief Acquisition Officer's Council
  - Procurement Data Working Group (with membership from the Procurement Committee for eGovernment)
- Award Committee eGovernment
  - DOT; DoD; HHS; Interior; EPA; USDA; NASA
- OMB (OFPP & OFFM) advisors

# Policy Plan of Action

Action	Status
Clarify Industry Hierarchy for Reporting using CAGE codes	DFARS Case 2011-D044 and FAR Case 2012-024 Underway (DFARS <u>final</u> rule pending publication)
Ensure Uniqueness of Contract Award Numbers	<u>Proposed</u> FAR Case 2012-023 approved by CAC in February 2013 (pending publication)
Ensure Procurement Organizations are Uniquely Identified	(Note: included in same FAR case as contract award)
Establish standards for Contract Line Item (CLIN)	FAR case 2013-014 opened
Establish standards for purchase requests	FAR case in draft
Establish standards for electronic acceptance, receipt and invoicing	FAR case in draft
Establish standard for procurement data transactions (Reference FY13 NDAA section 862)	On hold pending CLIN case above

# DoD P2P Keys to Handshakes

KEY: All fields shown are the minimum common / referential data keys	<i>(Italics) Data always tied to specific line item or items (italic)</i>	*Transparency data elements required for sub-award reporting only	** Maintained in SAM	(#) Contractor Created Data	Confirmed (Absolutely necessary - no issues)	Needs Clarification on necessity.	Needs clarification on necessity and/or issues exist.	Assumptions / Important Notes: 1) By using PR LIN UID, the Treasury Account Symbols (Department Code, Main Account, Sub-Account, Beginning & Ending Period Availability) and Object Class data elements are not necessary as common connecting/referential data keys. 2) Since the 3 FMS data elements (Country Code, Case Number, & FMS Line Item No. are carried in the PR and Contract Line Item structure, the assumption is that all three are derivable from the line item structure. 3) Acceptance at Source - accrual at Acceptance; Acceptance at Destination - accrual at Receipt. 4) Certain elements are listed in both HS-3 and HS-6 (i.e. Payment Instructions), due to the assumption of when accounting and entitlement are performed in separate systems; otherwise the data element may only need to be captured at HS-3.
--	---	---	----------------------	-----------------------------	--	-----------------------------------	---	---

Contract Line Item Traceability Life Cycle													
Budget	Appropriation	Allocation	Purchase Request / MIPR (Unfunded)	HS-1 Certify Funds / MIPR (Commitment)	HS-2 Validation of Funds / Funds Check (prior to award)	Contract Award	HS-3 Record Obligation in Accounting Systems	HS-4 Evaluate Procurement Instrument for Entitlement	HS-5 Receipt / Acceptance	Invoicing	HS-6 Perform Entitlement	HS-7 Disbursing	HS-8 Daily Disbursing to Treasury
						PIIN *	PIIN	PIIN	PIIN	PIIN	PIIN	PIIN	PIIN
						SPIIN *	SPIIN	SPIIN	SPIIN	SPIIN	SPIIN	SPIIN	SPIIN
						Mods * to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs	Mods to PIINs and/or SPIINs
			Requirement identifier	Requirement Identifier	Requirement identifier	Requirement identifier	Requirement identifier	Requirement identifier					
			PR Line Item UID	PR Line Item UID	PR Line Item UID	PR Line Item UID	PR Line Item UID	PR Line Item UID					
			PR LIN / SLIN / ELIN	PR LIN / SLIN / ELIN	PR LIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN	CLIN / SLIN / ELIN
									Shipment Number	Shipment Number	Shipment Number		
										Invoice Number (#)	Invoice Number (#)	Invoice Number (#)	
			MILSTRIP	MILSTRIP	MILSTRIP	MILSTRIP			MILSTRIP				
Department Code	Department Code	Department Code		Department Code	Department Code	Department Code*	Department Code	Department Code			Department Code	Department Code	Department Code
Main Account/ Sub Account	Main Account/ Sub Account	Main Account/ Sub Account		Main Account/ Sub Account	Main Account/ Sub Account	Main Account/ Sub Account*	Main Account/ Sub Account	Main Account/ Sub Account			Main Account/ Sub Account	Main Account/ Sub Account	Main Account/ Sub Account
Beginning Period of Availability	Beginning Period of Availability	Beginning Period of Availability		Beginning Period of Availability	Beginning Period of Availability	Beginning Period of Availability	Beginning Period of Availability	Beginning Period of Availability			Beginning Period of Availability	Beginning Period of Availability	Beginning Period of Availability
Ending Period of Availability	Ending Period of Availability	Ending Period of Availability		Ending Period of Availability	Ending Period of Availability	Ending Period of Availability	Ending Period of Availability	Ending Period of Availability			Ending Period of Availability	Ending Period of Availability	Ending Period of Availability
				Agency Accounting Identifier	Agency Accounting Identifier	Agency Accounting Identifier	Agency Accounting Identifier	Agency Accounting Identifier			Agency Accounting Identifier	Agency Accounting Identifier	
				ACRN	ACRN	ACRN	ACRN	ACRN			ACRN	ACRN	

Applicable Data Standards

SFIS	SFIS	SFIS	PRDS, 511, SLOA	PRDS, 511, SLOA	PRDS, 511, SLOA, PDS, 850/860	PDS, 850/860, SLOA	PDS, 850/860, SLOA	861, SFIS	856, 857	810, 857	861, SFIS	SFIS, 820, PDS	SFIS, PDS
------	------	------	-----------------	-----------------	-------------------------------	--------------------	--------------------	-----------	----------	----------	-----------	----------------	-----------



# Processes Under Construction

- Establish minimum procedures for electronic handshake between Purchase Request and Contract
- Collaborate with Financial Community to
  - Ensure traceability of contract award and line items to the TAS; requires ensuring award number and CLIN carried in accounting and disbursing files
  - Determine the procedures to trace intergovernmental transactions that result in a contract award
  - Clarify system identifiers for accounting and disbursing systems for routing of transactions
  - Determine identity of financial management organization uniquely

Objective: To be able to trace and track the budget (by TAS) from contract action through disbursing at Treasury by contract unique ID. This will enable a match from the FPDS record to Treasury reporting through financial systems.

## Requirements for P2P Handshake # 2

### Mandatory Data Elements:

Requirement Identifier  
PR Line Item Unique Identifier  
Treasury Account Symbol  
Agency Accounting Identifier  
Agency CRN

### Internal Controls:

1. The level of detail in the requirement and contract shall be the same as that at which accounting, performance (including shipment and receiving), acceptance, payment, property management, inventory accountability, and reordering will be documented. To the extent that these events are severable, separate line items shall be used.
2. Funds must be certified as available for obligation for the intended purpose prior to contract award. Contracts that are not currently funded may be released so long as they include the "Availability of Funds" clause.

### Business Rules:

1. PR Line Item Unique Identifier must be traceable from purchase request to contract line item

### Electronic Transaction Formats:

1. Standard Procurement System extract

**Metric:** Number of DoD Accounting Systems performing funds check on 100% of contract data

## DoD Handshake Battle Plan

- Develop a set of data driven requirements for each handshake
- Incorporate Internal Controls
- Leverage Data Standards
  - Purchase Request – Purchase Request Data Standard – Version 1.0 - May 2010
  - Award – Procurement Data Standard
    - Version 1.0 - July 2008
    - Current version 2.4 – January 2013
  - Invoice – EDI 810 – circa 1998
  - Receiving Report – EDI 856 or 857 (submitted) and 861 (accepted) – circa 1998
- Measure each handshake

# GATB Scorecard for Procurement

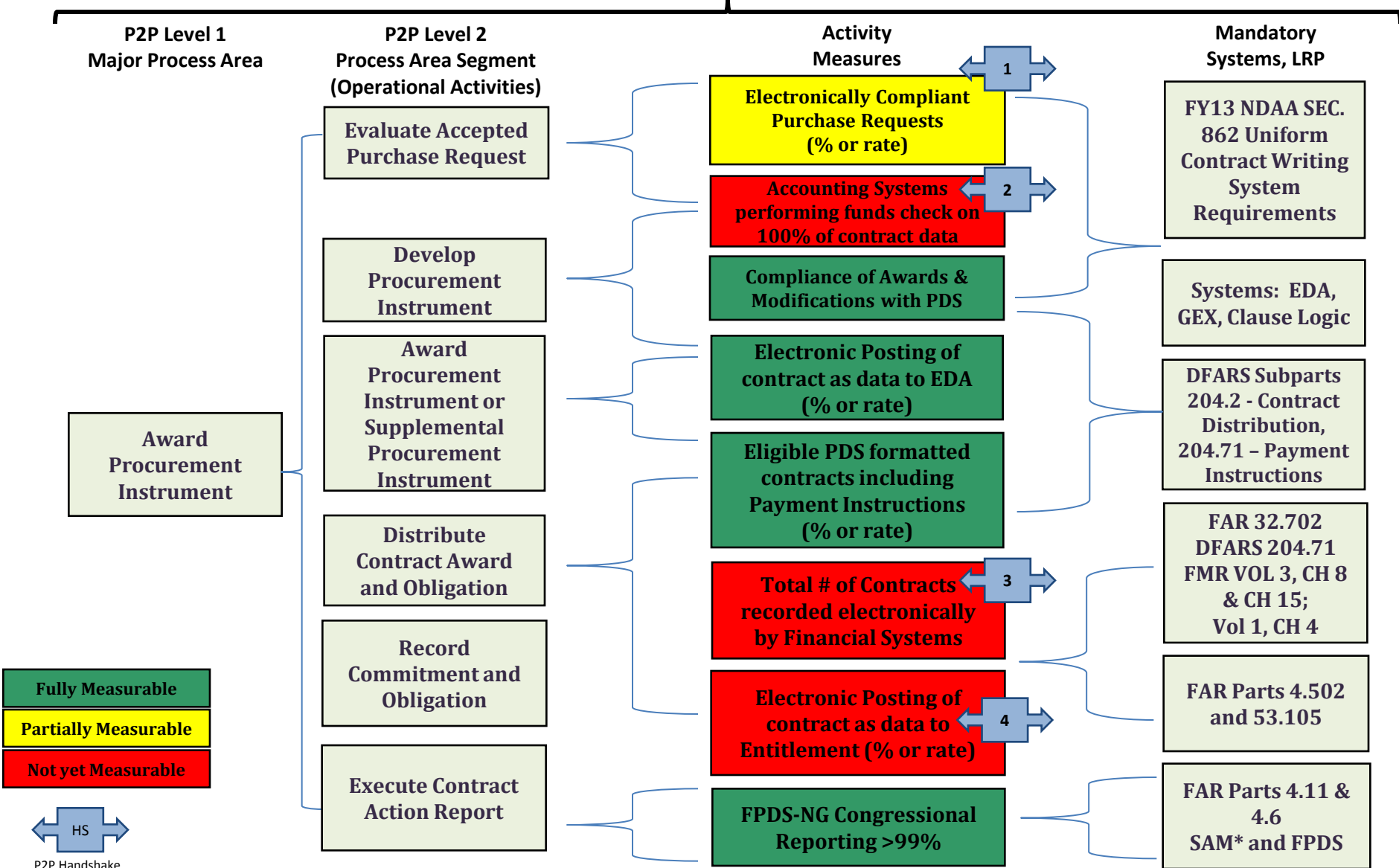
- ✓ **Strategic Objective 1. Ensuring transparent data is reliable and timely**
  - ✓ *Well established data integrity process*
- **Strategic Objective 2. Connecting transparent data more closely to the investment and its intended purpose**
  - *Under construction; plan developed*
- **Strategic Objective 3. Providing better tools to analyze and scrutinize the data**
  - *Scorecards in use and under development*

# Status on Financial Management Discussion (GATB Follow-up - March 15, 2013)

- Targets of Opportunity
  - Data Standardization initiatives in support of Federal Spending Transparency
  - Vision for USASpending
  - National Action Plan for Open Gov 2013- will go live in September and be briefed up to President, targets a comprehensive vision for Federal spending transparency

Backup

# DoD Procure to Pay Measures



\* FAR/DFARS Cases in-progress to update references for SAM

# DoD Procure to Pay Electronic Commerce Measures

