

Data Transparency Coalition, AICPA Applaud Senate Approval of DATA Act

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BY DANIELLE LEE

The Data Transparency Coalition and the America Institute of CPAs are commending the United States Senate for approving Thursday an amended version of the Digital Accountability and Transparency Act (S. 994) by unanimous consent.

The legislation, known as the DATA Act, would mandate the publication of all federal spending disclosures as standardized open data instead of, in many current cases, that information being locked behind inaccessible document-based formats.

According to the Data Transparency Coalition, advocates expect the open data legislation to quickly earn approval in the U.S. House of Representatives, where an earlier version of the bill passed by 388-1 vote in November 2013.

"The DATA Act takes a structured data model that has delivered unprecedented accountability in stimulus expenditures and applies it across all domains of federal spending," stated Hudson Hollister, who drafted the initial version of the DATA Act in 2009 and champions the bill as the executive director of the Data Transparency Coalition. "We're excited to welcome this bipartisan — and now, bicameral — endorsement for delivering reliable, accessible data about how taxpayers' dollars are being spent. The DATA Act will turn federal spending information into open spending data — a valuable new public resource that strengthens democratic accountability and spurs innovation."

AICPA president and CEO Barry Melancon released a statement in response to the Senate's approval:

"The U.S. Senate has cast a vote in favor of enhanced government data transparency in passing the Digital Accountability and Transparency (DATA) Act. The measure calls for the use of a nonproprietary, platform-independent data standard such as Extensible Business Reporting Language, or XBRL, and has the potential to significantly improve the efficiency of the federal government's reporting of financial information. Passage of S. 994 is a critical step in the effort to be responsive to calls for government transparency, by making consistent, reliable and searchable spending data available to taxpayers and policymakers alike. It will simplify reporting requirements for entities receiving Federal funds, improve accessibility of data, and enable more effective tracking of federal spending throughout the government — all of which can result in better, more-informed financial decisions."

According to the Data Transparency Coalition, the Senate's final version of the DATA Act includes a change the coalition opposed, placing the White House Office of Management and Budget alongside the U.S. Treasury Department in joint control of the development of government-wide data standards.

The coalition did emphasize that the final bill retained its key goals, however, and that the bill will also invite the Treasury Department to set up an accountability platform modeled on the innovations of the Recovery Accountability and Transparency Board.

"The DATA Act is part of the growing trend by governments to embrace structured, machine-readable data formats in place of documents for regulatory reporting," stated Matthew Rizai, CEO and managing director of WebFilings, executive member of the Data Transparency Coalition. "The move to reporting data instead of filing documents has made it possible to achieve efficiencies by automating compliance reporting."

President Obama is expected to sign the DATA Act, as it provides a legislative mandate for many elements of his May 2013 Open Data Policy.

"The establishment of government-wide data standards for spending will allow federal agencies to deploy analytics to identify and eliminate waste and fraud," stated Bob Fair, executive vice president of Teradata, the coalition's founding member. "The DATA Act's mandate will speed a long-overdue transformation from disconnected documents into open, useful data – a transformation that will help the federal government better serve taxpayers. And we know this based on our experience helping large organizations across industries, including state and federal agencies, transform their organizations to improve efficiencies."

The DATA Act's main Senate sponsors, Mark Warner (D-VA) and Rob Portman (R-OH), and the bill's champion in the House, Rep. Darrell Issa (R-CA), will join other executive branch officials at the coalition's Data Transparency Summit on April 29 in Washington, D.C. to discuss the vision and implementation of the bill.

1 Comment

This is major milestone for the CPA Profession, the AICPA, and the XBRL community.

Why does the DATA Act matter? (from article in Washington Post by Andrew Peterson)

"Right now it's difficult for the public to get a full look at government expenditures and make sure the government is being held accountable. And open data advocates argue that when the private sector gets access to government data, it could find new ways to leverage it -- creating new services for consumers and new jobs."

I am reminded of the call to action from Wired Magazine after the Wall Street Mortgage meltdown, in the article, Road Map for Financial Recovery: Radical Transparency Now! writer Dan Roth said this,

"When data is kept under lock and key, as mysterious as a temple secret, only the priests can read and interpret it. But place it in the public domain and suddenly it takes on new life. People start playing with the information, reaching strange new conclusions or raising questions that no one else would think to ask. It is impossible to predict who will become obsessed with the data or why--but someone will."

Well Wall Street has become transparent with the direction of the SEC and XBRL. So has the FDIC with their banking call reports. Isn't this a major opportunity for government to do the same?

I am glad that CPAs initiated this open data movement, then (SEC) and now (Government).

Posted by: Tom H | April 11, 2014 2:49 PM

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