

Audit Report

The Social Security Administration's
Compliance with the Digital
Accountability and Transparency Act
as of 2019

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: November 5, 2019 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019 (A-15-18-50614)

The attached final report presents the results of the Office of Audit's review. The objectives were to assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year 2019 first quarter financial and award data the Social Security Administration submitted for publication on USA Spending.gov and (2) Agency's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and Department of the Treasury.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, at 410-965-9700.



Gail S. Ennis

Attachment

The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019

A-15-18-50614



November 2019

Office of Audit Report Summary

Objectives

To assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year (FY) 2019 first quarter financial and award data the Social Security Administration (SSA) submitted for publication on USASpending.gov and (2) Agency's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury (Treasury).

Background

The *Digital Accountability and Transparency Act of 2014* (DATA Act), in part, requires that SSA report financial and award data in accordance with the established Government-wide financial data standards. In May 2015, OMB and Treasury published 57 data definition standards (commonly known as data elements) and required that SSA report financial and award data in accordance with these standards for DATA Act reporting in January 2017. In May 2017, in accordance with the DATA Act, Treasury began displaying SSA data on USASpending.gov for taxpayers and policy makers.

Findings

We determined that SSA's FY 2019 first quarter financial and award data, which totaled over \$269 billion, submitted for publication on USASpending.gov were complete, accurate, timely, and met the Council of the Inspectors General on Integrity and Efficiency's standard of higher quality. However, we identified the following minor errors.

- SSA did not submit to USASpending.gov approximately \$24 million (0.01 percent) in grant and benefit financial assistance awards or include all Case Processing and Management System transactions in its File C (award financial data) submission.
- Of the 263 Case Processing and Management System sample items, 20 did not meet Treasury's definition for accuracy.

These errors were not significant and would not lead to any material misunderstanding of SSA's financial and award data as reported.

In addition, we evaluated SSA's implementation and use of the Government-wide financial data standards and determined the Agency's definitions of the data standards complied with OMB and Treasury guidance.

SSA stated it was taking appropriate actions to resolve the minor errors noted in our report.

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ABBREVIATIONS

CIGIE	Council of the Inspectors General on Integrity and Efficiency
CPMS	Case Processing and Management System
DATA Act	<i>Digital Accountability and Transparency Act of 2014</i>
DQP	Data Quality Plan
FAADS PLUS	Federal Assistance Award Data System - PLUS
FY	Fiscal Year
GAO	Government Accountability Office
Guide	<i>Inspectors General Guide to Compliance under the DATA Act</i>
IG	Inspector General
OIG	Office of the Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration
SSASy	SSA's Streamlined Acquisition System
Treasury	Department of the Treasury

OBJECTIVES

To assess the (1) completeness, accuracy, timeliness, and quality of Fiscal Year (FY) 2019 first quarter financial and award data the Social Security Administration (SSA) submitted for publication on USA Spending.gov and (2) Agency's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury (Treasury).

BACKGROUND

Digital Accountability and Transparency Act

The *Digital Accountability and Transparency Act of 2014* (DATA Act)¹ was enacted on May 9, 2014 to expand the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006*.² The DATA Act, in part, requires that SSA report financial and award data³ (benefit payments, procurements, and grants) in accordance with the established Government-wide financial data standards.⁴ In May 2015, OMB and Treasury published 57 data definition standards (commonly known as data elements) and required that SSA report financial and award data in accordance with these standards for DATA Act reporting in January 2017.⁵ See Appendix A for the list of data elements. In May 2017, in accordance with the DATA Act, Treasury began displaying SSA's data on USA Spending.gov for taxpayers and policy makers.

In addition, the DATA Act requires that SSA's Office of the Inspector General (OIG) audit a statistically valid sample of SSA's financial and award data and submit to Congress a publicly available report assessing the (1) completeness, accuracy, timeliness, and quality of the data sampled and (2) Agency's implementation and use of the Government-wide financial data standards.⁶ Therefore, we provided Congress with the first required report in November 2017.⁷

¹ *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

² *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

³ The CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance Under the DATA Act* (February 14, 2019) used "spending data" and "financial and award data" interchangeably. We use financial and award data throughout this report for consistency.

⁴ *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 4, 128 Stat. 1146, p.1148.

⁵ OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

⁶ *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, §§ 6(a)(1), 128 Stat. 1146, p. 1151.

⁷ SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014 as of May 2017*, A-15-17-50250 (November 2017).

See Appendix B for Council of the Inspectors General on Integrity and Efficiency's (CIGIE) DATA Act Anomaly Letter.

DATA Act Required Files

There are seven required data files, as shown in Table 1.

Table 1: DATA Act Required Files

DATA Act Required Files	File Format
SSA Uploaded Files	
File A – Appropriations Account	Reports on budgetary information in accordance with SSA's SF-133, <i>Report on Budget Execution and Budgetary Resources</i> . ⁸
File B – Object Class and Program Activity	Reports on obligation data by budget program activity and object class.
File C – Award Financial	Reports on budgetary obligations related to agency contract and financial assistance awards.
Broker⁹ Extracted Data	
File D1 – Award and Awardee Attributes (Procurement)	Reports on procurement data from Federal Procurement Data System-Next Generation. ¹⁰
File D2 – Award and Awardee Attributes (Financial Assistance)	Reports on financial assistance data from the Financial Assistance Broker Submission. ¹¹
File E – Additional Awardee Attributes	Reports with data on highly compensated executives obtained from the System for Award Management. ¹²
File F – Sub-Award Attributes	Reports on subcontractor data from <i>Federal Funding Accountability and Transparency Act of 2006</i> Sub-award Reporting System. ¹³

⁸ The SF-133 is a quarterly report that contains information on the sources of budget authority and the status of budgetary resources by individual fund or appropriation.

⁹ Treasury developed the DATA Act Broker to allow agencies to submit the required data in a standardized format for publication on USASpending.gov.

¹⁰ Federal Procurement Data System-Next Generation is a General Services Administration database that collects and reports data on Federal procurements.

¹¹ Federal agencies use the Financial Assistance Broker Submission Portal to upload assistance files, correction records, and report that an agency has no submissions for a specific month.

¹² Vendors use the System for Award Management to register to do business with the Government. The Government uses it to, among other activities, search for entity registration and exclusion records.

¹³ Federal prime awardees (prime contractors and prime grant recipients) use the *Federal Funding Accountability and Transparency Act of 2006* Sub-award Reporting System to capture and report sub-award and executive compensation data for first-tier sub-awards to meet *Federal Funding Accountability and Transparency Act of 2006* reporting requirements.

SSA submitted the first quarter FY 2019 financial and award data to Treasury on February 27, 2019. SSA's Senior Accountable Official¹⁴ certified these seven required data files for its financial and award data to be published on USA Spending.gov.

Data Quality Plan

OMB requires that SSA develop a Data Quality Plan (DQP) to achieve the objectives of the DATA Act beginning in FY 2019. Specifically, OMB stated,

Consideration of this plan must be included in agencies' existing annual assurance statement over [internal control over reporting] beginning in [FY] 2019 and continuing through the statement covering [FY] 2021 at a minimum, or until agencies determine that they can provide reasonable assurances over the data quality controls that support achievement of the reporting objective in accordance with the DATA Act.¹⁵

OIG Required Review of SSA's Compliance Under the DATA Act

In consultation with the Government Accountability Office (GAO), the CIGIE Federal Audit Executive Council DATA Act Working Group¹⁶ developed the *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance under the DATA Act* (Guide). The Guide includes the baseline framework for OIGs to determine the completeness, accuracy, timeliness, and quality of their agency's financial and award data submitted to USA Spending.gov. In addition, it includes guidance to assess the internal controls over financial and award data for publication on USA Spending.gov¹⁷ and guidance to assess agencies' implementation and use of the data standards¹⁸ established by OMB and Treasury.¹⁹

¹⁴ Senior Accountable Officials are accountable for the quality and objectivity of Federal spending information. They ensure the information conforms to OMB guidance on information quality and adequate systems and processes are in place to promote such conformity. CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019). SSA's Senior Accountable Official is the Deputy Commissioner of Budget, Finance, and Management.

¹⁵ OMB, *Appendix A to OMB Circular No. A-123, Management of Reporting and DATA Integrity Risk*, M-18-16, p. 4 (2018).

¹⁶ The Working Group comprises 226 auditors who represent 53 Inspectors General. The Working Group's mission is to assist the Inspector General community in understanding and meeting its DATA Act requirements.

¹⁷ CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019).

¹⁸ In May 2015, OMB and Treasury published 57 data definition standards and required that Federal agencies report financial and award data in accordance with these standards for DATA Act reporting. OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

¹⁹ CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019).

We selected a statistically valid sample of FY 2019 first quarter financial and award data to assess completeness, accuracy, timeliness, and quality. We reviewed a sample of 385 transactions that comprised 263 Disability Hearing transactions from the Case Processing and Management System (CPMS),²⁰ 115 benefit payments transactions from the Federal Assistance Award Data System-Plus (FAADS Plus),²¹ and 7 contract awards from SSA's Streamlined Acquisition System (SSASy).²² See Appendix C for the sampling methodology. We also reviewed SSA's implementation and use of Government-wide financial data standards.

Finally, we reviewed the internal controls over SSA's source systems for reporting financial and award data to USASpending.gov, including an assessment of the internal controls over the actual submission of the data to USASpending.gov. See Appendix D for more information on our scope and methodology.

RESULTS OF REVIEW

We determined SSA's FY 2019 first quarter financial and award data, which totaled over \$269 billion, submitted for publication on USASpending.gov were complete, accurate, and timely and met CIGIE's standard of higher quality. However, we identified the following minor errors.

- SSA did not submit to USASpending.gov approximately \$24 million (0.01 percent) in grant and benefit financial assistance awards or include all CPMS transactions in its File C (award financial data) submission.
- Of the 263 CPMS sample items, 20 did not meet Treasury's definition for accuracy.

In addition, our evaluation of SSA's implementation and use of the Government-wide financial data standards determined the Agency's definitions of the data standards complied with OMB and Treasury guidance.

We determined SSA did not complete its DQP during the FY 2019 first quarter Senior Accountable Official certification. Finally, we determined SSA's internal controls over source systems used to report financial and award data on USASpending.gov were effective.

COMPLETENESS AND TIMELINESS OF SSA'S SUBMISSION

SSA's DATA Act submission to Treasury's DATA Act Broker was timely. However, we determined the submission was not complete. We evaluated Files A (appropriations account), B (object class and program activity), and C (award financial) to determine whether SSA

²⁰ The Office of Hearings Operations uses CPMS to store Call Order information for vendor services for medical and vocational experts and verbatim hearing reporters as part of the Office of Hearings Operations' hearing process.

²¹ FAADS PLUS is an SSA-created and maintained system used to allocate SSA benefit awards to congressional districts, which SSA reports in USASpending.gov.

²² SSASy is a paperless, electronic tool used to prepare, submit, and process purchase requests.

recorded all transactions and events in the proper period. In general, the transactions and events were recorded for the proper period; however, we identified 221 CPMS transactions, totaling \$10,766, that were not included in the FY 2019 first quarter File C submission (less than .01 percent of the total obligated awards).

Summary-level Data and Links for Files A, B, and C

We determined Files A and B were complete and accurate. We reconciled the summary level links between Files A, B, and C and determined the linkages were valid; and there were no significant variances between the files. However, we identified 221 CPMS transactions, totaling \$10,766 (less than .01 percent of the total obligated awards), that were not included in the FY 2019 first quarter File C submission. One CPMS transaction was erroneously omitted from File C. The remaining 220 transactions were made in FYs 2014 and 2016 and did not include a required Parent Award identification.²³ However, SSA identified and explained the 220 omitted CPMS transactions in the Senior Accountable Official assurance statement. Therefore, we determined File C to be reliable for statistical sampling. SSA is developing a process to correct awards from prior FYs so File C will be complete.

Record-level Data and Links for Files C and D

We reviewed the record-level data and links between Files C and D (award and awardee attributes – procurement and financial assistance). SSA did not report approximately \$24 million (0.01 percent of the \$269 billion reported) of benefit and grant financial assistance awards to USASpending.gov in October, November, and December 2018.

Although these financial assistance awards are less than .01 percent of the total financial assistance awards for October, November, and December 2018, SSA is required to submit all financial assistance awards to USASpending.gov each month.²⁴ This is a separate requirement from the quarterly financial and award data submission to the DATA Act broker. SSA did not submit approximately \$17 million in benefit awards for October, November, and December 2018 because of limitations in FAADS PLUS. SSA uses FAADS PLUS to allocate its benefit awards to congressional districts and beneficiaries living overseas. However, because of differences between FAADS PLUS and the Financial Assistance Broker Submission portal in the classification and recognition of certain congressional districts and foreign geographic areas, records totaling approximately \$17 million were rejected by the Financial Assistance Broker Submission in October, November, and December 2018. SSA did not include language on this condition in the Senior Accountable Official assurance statement over the financial and award

²³ Parent Award Identification is the identifier of the procurement award under which the specific award is issued.

²⁴ *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

data for the period because the rejected records were less than .01 percent of financial assistance awards for the quarter. This is in accordance with its DQP materiality threshold.²⁵

Similar to the benefit awards, SSA did not upload approximately \$7 million in grant awards through the Financial Assistance Broker Submission for December 2018. SSA uses GrantSolutions²⁶ to process its grant activity; however, GrantSolutions did not provide SSA a report of its grant processing activity for December 2018. As a result, the grants SSA processed in December 2018 were not uploaded as financial assistance awards to USASpending.gov. SSA's Senior Accountable Official assurance explains that SSA is working with GrantSolutions to report the grants to USASpending.gov.²⁷

FILE C STATISTICAL SAMPLE

We selected 385 records from SSA's FY 2019 first quarter financial and award data (File C) and tested the applicable data elements for completeness, accuracy, and timeliness. The File C population contained 205,676 records totaling approximately \$269 billion. See Appendix C for our sampling methodology. Our statistical sample is shown in Table 2.

Table 2: Statistical Sample of File C

Record Type	Source System	Sample Size	Dollar Amount of Obligations
Contract Awards	SSASy	7	\$1,846,625
Disability Hearings	CPMS	263	35,881
Benefit Allocations	FAADS PLUS	115	278,120,448
Total		385	\$280,002,953

Note: Difference due to rounding.

As shown in Table 2, 263 (68 percent) of the 385 sample records were CPMS transactions. However, CPMS records totaled only .01 percent of obligations tested. CPMS transactions represent approximately 68 percent of the 205,676 transactions. Our sample totals are consistent with the population characteristics. See Appendix C for detailed information on the composition of our population.

²⁵ SSA, *Data Quality Plan (DQP) for the Social Security Administration (SSA) Fiscal Year 2019* (July 17, 2019) states a variance between Files C and D2 is documented in the Senior Accountable Official assurance statement only if the variance exceeds the lesser of 1 percent of total record type or \$100 million.

²⁶ GrantSolutions is maintained by the Department of Health and Human Services.

²⁷ SSA, *Data Quality Plan (DQP) for the Social Security Administration (SSA) Fiscal Year 2019* (July 17, 2019) states these grants met the materiality threshold to be included in the Senior Accountable Official assurance statement.

Completeness of the Data Elements

We determined all data elements tested met the attribute for completeness. A data element is considered complete if the required data element that should have been reported is reported. SSA included all necessary data elements for our sample of 385 transactions.

Accuracy of the Data Elements

The projected error rate²⁸ for the accuracy of the data elements is 0.13 percent. To calculate the overall accuracy error rate, we averaged the error rates by record over the total number of sample items tested. We considered a data element accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DATA Act Information Model Schema, Reporting Submission Specification, Interface Definition Document, the online data dictionary and agreed with the authoritative source records.

Of our sample of 385 CPMS transactions, 20 were inaccurate. All of these transactions were related to one data element (Data Element 53, Obligation). SSA did not capture transactions, totaling \$844, in its File C submission. As a result, SSA's total obligation for these transactions was understated. The understatement totaled only 0.00030 percent of the sampled dollars (\$844/\$280 million). We did not identify exceptions related to accuracy for the contract or benefit award transaction categories.

Timeliness of the Data Elements

From our sample of 385 transactions, we determined SSA included all 385 sample items in File C timely. We determined all data elements tested met the attribute for timeliness. The timeliness of data elements was based on the reporting schedules defined by the procurement and financial assistance requirements.²⁹

Quality

We determined the quality of the data elements using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy, and timeliness. We used the highest of the three error rates as the determining factor of quality. Therefore, we based quality on the statistical sampling results, as shown in Table 3. Based on the highest error rate, we categorized quality based on the CIGIE quality range, as shown in Table 4.

²⁸ The projected overall error rate is the rate of error by record averaged over the total number of sample items. Although we sampled 385 test items, we were required to calculate the projected overall error rate by unique transaction. Our 385 test item sample contained 313 unique transaction sample items.

²⁹ Procurement and financial assistance requirements include *Federal Funding Accountability and Transparency Act of 2006*, Federal Acquisition Regulations, Federal Procurement Data System-Next Generation, Financial Assistance Broker Submission and DATA Act Information Model Schema.

Table 3: Sample Error Rate

Description	Error Rate (percent)
Completeness	0
Accuracy	0.13
Timeliness	0

Table 4: CIGIE Quality Range of Error

Highest Error Rate (percent)	Quality Level
0 - 20	Higher
21 - 40	Moderate
41 and above	Lower

SSA's data quality is between 0 and 20 percent; therefore, we determined SSA's FY 2019 first quarter financial and award data met CIGIE's standard of higher quality.

DATA REPORTED FROM FILES E AND F

File E of the DATA Act Information Model Schema contains additional awardee attribute information the broker extracts from the System for Award Management. File F contains sub-award attribute information the broker extracts from the *Federal Funding Accountability and Transparency Act of 2006* Subaward Reporting System. File E and F data remain the awardee's responsibility in accordance with terms and conditions of Federal agreements; and the quality of these data remains the recipient's legal responsibility. Therefore, Agency senior accountable officials are not responsible for certifying the quality of Files E and F data reported by awardees, but they are responsible for ensuring controls are in place to verify that financial assistance awardees register in System for Award Management at the time of the award. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from System for Award Management and *Federal Funding Accountability and Transparency Act of 2006* Subaward Reporting System via the DATA Act broker system. This is in accordance with Treasury guidance.

IMPLEMENTATION AND USE OF THE DATA STANDARDS

Our evaluation of SSA's implementation and use of the government-wide financial data standards for financial and award information determined SSA had fully implemented and was using these data standards as defined by OMB and Treasury.

ASSESSMENT OF INTERNAL CONTROLS

SSA is responsible for the design, implementation, and operating effectiveness of its internal controls. In accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix A, SSA assessed its internal controls over financial reporting and provided reasonable assurance that those internal controls were operating effectively.

We assessed the design of SSA's internal and information system controls related to extracting data from the source systems and reporting data to the Broker to ensure they are properly designed and implemented as well as operating effectively. Overall, we determined SSA properly designed and implemented internal controls over financial and award data to ensure it managed and reported financial and award data in accordance with the DATA Act. Therefore, SSA's internal controls over source systems used to report financial and award data on USASpending.gov were effective. See Appendix E for more information on the assessment of internal controls.

In addition, the Senior Accountable Official approved SSA's DQP on August 1, 2019.³⁰ Therefore, the DQP was not considered during the FY 2019 first quarter Senior Accountable Official certification, as required. SSA's DQP documents its process for identifying and assessing risks related to financial and award data. With the issuance of the DQP, SSA has met the OMB requirement to develop a DQP in FY 2019.

CONCLUSIONS

We determined SSA's FY 2019 first quarter financial and award data, which totaled over \$269 billion, submitted for publication on USASpending.gov were complete, accurate, and timely and met CIGIE's standard of higher quality. While we identified some minor errors in SSA's financial and award data, these errors were not significant and would not lead to any material misunderstanding of SSA's financial and award data as reported.

AGENCY COMMENTS

SSA stated it was taking appropriate actions to resolve the minor errors noted in our report, see Appendix F.



Rona Lawson
Assistant Inspector General for Audit

³⁰ SSA, *Data Quality Plan (DQP) for the Social Security Administration (SSA) Fiscal Year 2019* (July 17, 2019).

APPENDICES

Appendix A – DATA ELEMENTS

In May 2015, the Office of Management and Budget and Department of the Treasury published 57 data definition standards (commonly referred to as data elements as shown in Table A-1) and required the Social Security Administration to report financial and award data in accordance with these standards for *Digital Accountability and Transparency Act of 2014* reporting.¹

Table A-1: 57 Data Elements

Element	Data Element Name	Element	Data Element Name
1	Awardee/Recipient Legal Entity Name	30	Primary Place of Performance Address
2	Awardee/Recipient Unique Identifier	31	Primary Place of Performance Congressional District
3	Ultimate Parent Unique Identifier	32	Primary Place of Performance Country Code
4	Ultimate Parent Legal Entity Name	33	Primary Place of Performance Country Name
5	Legal Entity Address	34	Award ID Number (Procurement Instrument Identifier Number/Financial Assistance Identifier Number)
6	Legal Entity Congressional District	35	Record Type
7	Legal Entity Country Code	36	Action Type
8	Legal Entity Country Name	37	Business Types
9	Highly Compensated Officer Name	38	Funding Agency Name
10	Highly Compensated Officer Total Compensation	39	Funding Agency Code
11	Federal Action Obligation	40	Funding Sub Tier Agency Name
12	Non-Federal Funding Amount	41	Funding Sub Tier Agency Code
13	Amount of Award	42	Funding Office Name
14	Current Total Value of Award	43	Funding Office Code
15	Potential Total Value of Award	44	Awarding Agency Name
16	Award Type	45	Awarding Agency Code
17	North American Industry Classification System (NAICS) Code	46	Awarding Sub Tier Agency Name
18	NAICS Description	47	Awarding Sub Tier Agency Code
19	Catalog of Federal Domestic Assistance Number	48	Awarding Office Name
20	Catalog of Federal Domestic Assistance Title	49	Awarding Office Code
21	Treasury Account Symbol (excluding Sub-Account)	50	Object Class
22	Award Description	51	Appropriations Account
23	Award Modification / Amendment Number	52	Budget Authority Appropriated
24	Parent Award ID Number	53	Obligation
25	Action Date	54	Unobligated Balance
26	Period of Performance Start Date	55	Other Budgetary Resources
27	Period of Performance Current End Date	56	Program Activity
28	Period of Performance Potential End Date	57	Outlay
29	Ordering Period End Date		

¹ OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

Appendix B – COUNCIL OF INSPECTORS GENERAL LETTER

The *Digital Accountability and Transparency Act of 2014* (DATA Act) requires that the first set of Office of Inspector General (OIG) reports be submitted to Congress in November 2016.¹ However, Federal agencies were not required to display financial and award data in compliance with the DATA Act until May 2017.² As a result, OIGs could not report on the financial and award data submitted under the DATA Act in 2016, as the information did not exist until 2017. For this reason, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) developed an approach to address the reporting date anomaly.

CIGIE identified a timing anomaly with the oversight requirements contained in the Digital Accountability and Transparency Act of 2014. That is, the first Inspector General (IG) reports were due to Congress on November 2016; however, Federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports by November 8, 2017, 1-year after the statutory due date, with two subsequent reports to be submitted following on a 2-year cycle. On December 22, 2015, CIGIE’s chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.³

The CIGIE letter memorializing this strategy follows.

¹ *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 6(a)(2)(A), 128 Stat. 1146, p. 1151.

² *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, § 3(a), 128 Stat. 1146, p. 1148.

³ CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019).



December 22, 2015

The Honorable Ron Johnson
Chairman
The Honorable Thomas Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, D.C.

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah Cummings
Ranking Member
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

1717 H Street, NW, Suite 825, Washington, DC 20006

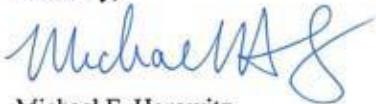
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intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act “readiness reviews” at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation. We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz

Chair, Council of the Inspectors General on Integrity and Efficiency
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB
The Honorable Gene Dodaro, Comptroller General, GAO

Appendix C – SAMPLING METHODOLOGY

File C Transactions

The *Digital Accountability and Transparency Act of 2014* (DATA Act)¹ expanded the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006*.² In consultation with the Government Accountability Office (GAO), the Council of Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council DATA Act Working Group³ developed the *CIGIE Federal Audit Executive Council Inspectors General Guide to Compliance Under the DATA Act* (Guide). The Guide includes the baseline framework for OIGs to determine the completeness, accuracy, timeliness, and quality of their agency's financial and award data submitted to USA Spending.gov.⁴

Per the Guide, we selected a statistically valid sample of the Social Security Administration's (SSA) File C transactions, which contained SSA's Fiscal Year (FY) 2019 first quarter financial and award data related to contracts, grants, and benefit payments. In addition, the Guide provided the sampling criteria and parameters, as shown in Table C–1.

Table C–1: Sample Parameters

Criteria	Parameter
Confidence Level	95 Percent
Expected Error Rate	50 Percent
Sample Precision	+/- 5 Percent
Sample Size	385 Records

In the first quarter of FY 2019, SSA had 205,676 records (lines of transactions), as shown in Table C–2.

¹ *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

² *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

³ The Working Group's mission is to assist the Inspector General community in understanding and meeting its DATA Act requirements. The Working Group comprises 226 auditors who represent 53 Inspectors General.

⁴ CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019).

Table C–2: FY 2019 First Quarter Population

Category	Population Count	Percent of Population Count	Dollar Amount of Obligations	Percent of Population Amount
CPMS	140,474	68.30	\$18,910,977	0.01
FAADS Plus	63,485	30.87	268,765,872,203	99.85
SSASy	1,585	0.77	374,802,678	0.14
Grants	99	0.05	6,568,353	0.00
Purchase Card	33	0.02	793,230	0.00
Total	205,676	100.00	\$269,166,947,441	100.00

Note: Difference due to rounding.

As shown in Table C–2, Case Processing and Management System (CPMS) transactions represent approximately 68 percent of the 205,676 total number of transactions; however, the CPMS transactions represent approximately 0.01 percent of the \$269 billion in transactions.

We reviewed a sample of 385 transactions, as shown in Table C–3.

Table C–3: Population and Sample Size

Description	Number
Population	205,676
Sample Size	385

We randomly selected 385 sample items, as shown in Table C–4.

Table C–4: FY 2019 First Quarter Sample

Category	Sample Count	Percent of Sample Count	Dollar Amount of Obligations	Percent of Sample Amount
Contract Awards (SSASy)	7	1.82	\$1,846,625	0.66
Disability Hearings (CPMS)	263	68.31	35,881	0.01
Benefit Payments (FAADS Plus)	115	29.87	278,120,448	99.33
Total	385	100.00	\$280,002,953	100.00

Note: Difference due to rounding.

As a result, based on random sampling, our sample included a large number of low-dollar CPMS transactions (see Table C–4). Our sample is consistent with the characteristics of the population. For example, our sample consisted of approximately 68 percent of CPMS transactions, which totaled approximately 0.01 percent of the sample dollars.

Detailed Record-level DATA Elements

We performed detailed testing at the data element-level for each record selected in the sample. We determined the completeness, accuracy, and timeliness for each of the data elements of the recorded transactions. In addition, we reported statistical projections for completeness, accuracy, and timeliness for the overall data elements tested.

Completeness of a Data Element⁵

To assess the completeness of the sampled data, we determined whether the data element was required for the record selected. If required, we determined whether the data element was included in the appropriate files. Accuracy of the data element was tested under the accuracy assertion; therefore, only the completion of the data element was considered here. If a data element that was required to be reported, was not, the data element was not complete.

Accuracy of a Data Element⁶

We matched the data elements in File C to the system of record, the Agency's financial system, and source documentation. Based on our sample, 20 CPMS transactions did not satisfy the attribute for accuracy since it did not capture the total obligation for each of these transactions.

Timeliness of a Data Element⁷

We assessed the timeliness of the data elements as follows.

- Award financial data elements in File C should be reported in the quarter in which they occurred.
- Procurement award data elements in File D1 should be reported in Federal Procurement Data System-Next Generation within 3 business days after contract award in accordance with the Federal Acquisition Regulations Part 4.604.

⁵ Completeness of DATA Element is defined as, for each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2.

⁶ Accuracy of a Data Element is defined as amounts and other data relating to recorded transactions have been recorded in accordance with the DATA Act Information Model Schema, Reporting Submission Specification, Interface Definition Document, and the online data dictionary, and agree with the authoritative source records.

⁷ Timeliness of a Data Element is defined as, for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements (*Federal Funding Accountability and Transparency Act of 2006*, Federal Acquisition Regulations, Federal Procurement Data System – Next Generation, Financial Assistance Broker Submission and DATA Act Information Model Schema).

- Financial assistance award data elements in File D2 should be reported no later than 30 days after award, in accordance with the *Federal Funding Accountability and Transparency Act of 2006*. DATA Act Information Model Schema requires that agencies publish data by the 5th of each month and ensure that prior month data are published completely, no later than the 20th of the current month.

Appendix D – SCOPE AND METHODOLOGY

Scope

We reviewed the Social Security Administration’s (SSA) Fiscal Year (FY) 2019, first quarter financial and award data published on USASpending.gov, and any applicable procedures, certifications, documentation, and controls to achieve this process.

Methodology

To accomplish our objectives, we:

- Participated in Federal Audit Executive Council *Digital Accountability and Transparency Act of 2014* (DATA Act) Working Group meetings and workshops.
- Reviewed Federal Audit Executive Council DATA Act Working Group’s *Inspectors General Guide to Compliance Under the DATA Act*.¹
- Obtained an understanding of any regulatory criteria related to SSA’s responsibilities to report financial and award data under the DATA Act, which included the following.
 - *Digital Accountability and Transparency Act of 2014*²
 - *Federal Funding Accountability and Transparency Act of 2006*³
 - *Office of Management and Budget (OMB) M-15-12, Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*⁴
 - *OMB Management Procedures Memorandum No. 2016-03, Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*⁵
 - *OMB M-17-04, Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*⁶

¹ CIGIE Federal Audit Executive Council, *Inspectors General Guide to Compliance under the DATA Act* (February 14, 2019).

² *Digital Accountability and Transparency Act of 2014*, Pub. L. No. 113-101, 128 Stat. 1146.

³ *Federal Funding Accountability and Transparency Act of 2006*, Pub. L. No. 109-282, 120 Stat. 1186.

⁴ OMB, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (2015).

⁵ OMB, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information, Management Procedures Memorandum No. 2016-03* (2016).

⁶ OMB, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, M-17-04 (2016).

- *OMB M-16-17, OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control*⁷
 - *OMB M-18-16, Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk*⁸
- Reviewed SSA's Data Quality Plan (DQP).⁹
- Reviewed Government Accountability Office (GAO) reports on the DATA Act, including the following.
 - *GAO-18-138, DATA Act: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclosure Limitations*¹⁰
 - *GAO-19-284, DATA Act: OMB Needs to Formalize Data Governance for Reporting Federal Spending*¹¹
- Assessed the internal and information system controls in place as they related to the extraction of data from the source systems and the reporting of data to Treasury's DATA Act Broker to assess audit risk and design audit procedures. In our assessment of internal controls, we relied on the following.
 - Grant Thornton audits of SSA's FY 2018 financial statements
 - Grant Thornton's audit of SSA's general and/or application controls over the source systems related to the DATA Act, as follows:
 - Social Security Online Accounting and Reporting System,
 - SSA's Streamlined Acquisition System,
 - Federal Assistance Award Data System – PLUS,
 - GrantSolutions,
 - Case Processing and Management System, and
 - Office of Finance Online.

⁷ OMB, *OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, M-16-17* (2016).

⁸ OMB, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk, M-18-16* (2018).

⁹ DATA Act reporting agencies must implement a DQP effective FY 2019 through FY 2021 at a minimum. OMB, *Appendix A to OMB Circular No. A-123, Management of Reporting and DATA Integrity Risk, M-18-16*, p. 4 (2018).

¹⁰ GAO, *DATA Act: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclosure Limitations, GAO-18-138* (2017).

¹¹ GAO, *DATA Act: OMB Needs to Formalize Data Governance for Reporting Federal Spending, GAO-19-284* (2019).

- Our prior knowledge related to the DATA Act readiness review¹² and first required report under the DATA Act in November 2017.¹³
 - Our substantive testing.
- Reviewed and reconciled SSA's FY 2019 first quarter financial and award data published on USASpending.gov.
- Reviewed a statistically valid sample from SSA's FY 2019, first quarter financial and award data published on USASpending.gov. We traced each transaction in our sample to its underlying source record, a financial system report, or a combination of both to ensure the transactions were accurate.
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data sampled. However, File E and F data remain the awardee's responsibility in accordance with terms and conditions of Federal agreements; and the quality of these data remains the recipient's legal responsibility. Therefore, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from System for Award Management and *Federal Funding Accountability and Transparency Act of 2006* Subaward Reporting System via the DATA Act broker system.
- Assessed SSA's implementation and use of the 57 data elements/standards established by OMB and the Department of the Treasury.
- Interviewed staff from SSA's Offices of Financial Policy and Operations, Acquisition and Grants, Enterprise Information Systems, and Hearings Operations.

We conducted our review at SSA Headquarters in Baltimore, Maryland, from April to September 2019. We determined the data used in this report were sufficiently reliable given our audit objectives and their intended use. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹² SSA, OIG, *Digital Accountability and Transparency Act Readiness*, A-15-17-50148 (October 2016).

¹³ SSA, OIG, *The Social Security Administration's Compliance with the Digital Accountability and Transparency Act of 2014 as of May 2017*, A-15-17-50250 (November 2017).

Appendix E – INTERNAL CONTROL ASSESSMENT

The Social Security Administration (SSA) is responsible for the design, implementation, and operating effectiveness of its internal controls. In accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix A, SSA assessed its internal controls over financial reporting and provided reasonable assurance that those internal controls were operating effectively.

In accordance with the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*¹ (Green Book), we determined whether SSA's internal controls over financial and award data (1) had been properly designed and implemented and (2) operated effectively to manage and report financial and award data in accordance with the DATA Act. Specifically, we assessed SSA's internal and information system controls over source systems used to report financial and award data for publication on USASpending.gov. Overall, we determined SSA properly designed and implemented internal controls over financial and award data to ensure it managed and reported financial and award data in accordance with the *Digital Accountability and Transparency Act of 2014* (DATA Act).

We relied on Grant Thornton, an independent certified public accounting firm in our assessment of the internal controls over source systems. We contracted with Grant Thornton to audit SSA's general and/or application controls over the source systems related to the DATA Act as follows:

- Office of Finance Online,²
- Social Security Online Accounting and Reporting System,³
- SSA's Streamlined Acquisition System (SSASy),⁴
- Federal Assistance Award Data System - PLUS (FAADS PLUS),⁵

¹ GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (2014).

² SSA uses the Office of Finance Online system, which mimics the DATA Act Broker, to verify the information SSA generated and reported in Files A and B.

³ The Social Security Online Accounting and Reporting System is SSA's core accounting system.

⁴ SSASy is a paperless, electronic tool used to prepare, submit, and process purchase requests.

⁵ FAADS PLUS is an SSA-created and maintained system used to allocate SSA benefit awards to congressional districts, which SSA reports in USASpending.gov.

- Case Processing and Management System (CPMS),⁶ and
- GrantSolutions.⁷

In addition, Grant Thornton reviewed the two master files related to the DATA Act: the Master Beneficiary⁸ and Supplemental Security Records.⁹

We determined Grant Thornton's testing was sufficient in scope, and the tests performed achieved the objectives of the engagement. Grant Thornton identified system control deficiencies over some SSA source systems related to the DATA Act. However, these system control deficiencies did not affect the financial and award data submitted to USASpending.gov. Detailed information about these deficiencies and results of information technology security testing have been reported to SSA in a separate, limited distribution management letter.

In addition, as part of the FY 2018 Financial Statement audit, Grant Thornton issued an unqualified opinion on management's assertion that SSA maintained effective internal controls over financial reporting based on the criteria in GAO's *Green Book*. In its report, Grant Thornton identified three significant deficiencies in SSA's internal control: (1) Controls over Certain Financial Information System Controls, (2) Controls over the Reliability of Information Used in Certain Control Activities, and (3) Controls over Accounts Receivable with the Public (Benefit Overpayments). However, these system control deficiencies did not affect the financial and award data submitted to USASpending.gov.

⁶ The Office of Hearings Operations uses CPMS to store Call Order information for vendor services for medical and vocational experts and verbatim hearing reporters as part of the Office of Hearings Operations' hearing process.

⁷ GrantSolutions is SSA's grant management system. It is maintained by the Department of Health and Human Services; therefore, Grant Thornton only reviewed the internal controls that are SSA's responsibility, such as access controls, controls over the completeness and accuracy of data transfer, and other interface controls.

⁸ The Master Beneficiary Record master file contains the data needed to generate Social Security benefit payments under the Old-Age, Survivors and Disability Insurance program.

⁹ The Supplemental Security Record master file maintains information on all persons who have applied for the Supplemental Security Income program.

Appendix F – AGENCY COMMENTS



SOCIAL SECURITY

Office of the Commissioner

MEMORANDUM

Date: October 31, 2019 Refer To: S1J-3

To: Gail S. Ennis
Inspector General

Stephanie Hall
From: Stephanie Hall
Chief of Staff

Subject: Office of the Inspector General Draft Report, “The Social Security Administration's Compliance with the Digital Accountability and Transparency Act as of 2019” (A-15-18-50614) -- INFORMATION

Thank you for the opportunity to review the draft report. We appreciate the acknowledgment that our fiscal year (FY) 2019 first quarter submissions on USA Spending.gov were complete, accurate, and timely and that we met the Council of the Inspectors General on Integrity and Efficiency’s standards of higher quality. We are taking appropriate action to resolve the minor errors noted in the report.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

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