

# Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2021

FINAL REPORT NO. OIG-22-003-A

NOVEMBER 8, 2021



U.S. Department of Commerce  
Office of Inspector General  
Office of Audit and Evaluation



November 8, 2021

## DECISION MEMORANDUM FOR SECRETARY RAIMONDO

**FROM:**

Peggy E. Gustafson  
Inspector General

**RE:**

*Audit of the Department's Digital Accountability and Transparency Act of 2014 Submission for the First Quarter of Fiscal Year 2021*  
Final Report No. OIG-22-003-A

This memorandum accompanies the U.S. Department of Commerce (the Department) Office of Inspector General report on the Department's Digital Accountability and Transparency Act of 2014 (DATA Act) submission for the first quarter of fiscal year (FY) 2021. The DATA Act, in part, requires federal agencies to report financial and award data in accordance with government-wide financial data standards. It also requires the inspector general of each federal agency to review a sample of the submitted data and then report on the completeness, timeliness, quality, and accuracy of the data, as well as the agency's implementation and use of the required standards.

We contracted with KPMG LLP—an independent public accounting firm—to perform this audit. Our office oversaw the progress of this audit to ensure that KPMG performed the audit in accordance with generally accepted government auditing standards and contract terms. However, KPMG is solely responsible for the attached report and the conclusions expressed in it. We do not express any opinion on the Department's DATA Act submission, including any conclusions about the completeness, timeliness, quality, and accuracy of the data and the Department's implementation and use of the required standards.

In its audit of the Department's DATA Act submission for the first quarter of FY 2021, KPMG identified the following:

1. The Department submitted data of a "Higher" quality (i.e., the error rate corresponded to the quality level "Higher" in the Council of the Inspectors General on Integrity and Efficiency Federal Audit Executive Council's *Inspectors General Guide to Compliance Under the DATA Act*). However, the Department did not submit certain data completely, accurately, or timely.
2. The Department implemented and used the government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury under the DATA Act, except for the omission of outlay amounts required by OMB memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*, from its File C submission.

Additionally, as a result of KPMG's audit procedures, including an assessment of internal controls relevant to the audit objectives, KPMG identified nine internal control deficiencies and proposed related recommendations for Departmental management. The internal control deficiencies and related recommendations are included in KPMG's report.

Pursuant to Department Administrative Order 213-5, please submit to us an action plan that addresses the recommendations in this report within 60 calendar days. The final report will be posted on the Office of Inspector General's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 & 8M).

We are also issuing a copy of this report to the U.S. Senate Committee on Homeland Security & Governmental Affairs; the U.S. House Committee on Oversight and Reform; the U.S. Senate Committee on the Budget; the U.S. House Committee on the Budget; the U.S. Government Accountability Office; and the U.S. Department of the Treasury Inspector General.

We appreciate the cooperation and courtesies extended to KPMG by your staff during this audit. If you have any questions or concerns about this report, please contact me at (202) 482-4661.

#### Attachment

cc: Wynn Coggins, Acting Chief Financial Officer and Assistant Secretary for Administration  
Stephen Kunze, Deputy Chief Financial Officer and Director for Financial Management,  
Office of the Secretary  
MaryAnn Mausser, Audit Liaison, Office of the Secretary  
Rehana Mwalimu, Risk Management Officer and Primary Alternate Department GAO/OIG  
Liaison, Office of the Secretary



**Performance Audit of the U.S. Department of Commerce's  
*Digital Accountability and Transparency Act of 2014 (DATA Act)*  
Fiscal Year 2021 Quarter 1 Financial and Award Data**

Prepared for: Inspector General, U.S. Department of Commerce

As of Date: October 1, 2021

KPMG LLP  
1801 K Street NW, Suite 12000  
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Secretary of Commerce and  
Inspector General, U.S. Department of Commerce

This report presents the results of our work conducted to address the performance audit objectives related to the U.S. Department of Commerce's (Department) implementation of the *Digital Accountability and Transparency Act of 2014* (DATA Act). Our work was performed during the period of March 24, 2021 and September 24, 2021, and our results are as of October 1, 2021.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our 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.

In addition to GAGAS, we conducted this performance audit in accordance with the *Standards for Consulting Services* established by the American Institute of Certified Public Accountants (AICPA). This performance audit did not constitute an audit of financial statements or an attestation level report as defined under GAGAS and the AICPA standards for attestation engagements.

The audit objectives<sup>1</sup> of our work were to assess the:

- 1) Completeness, accuracy, timeliness, and quality of the Department's fiscal year (FY) 2021, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov (submission); and
- 2) Department's implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury).

For Objective 1, we determined the Department submitted data of a Higher quality based on the Guide's Quality Assessment Scorecard. However, the Department did not submit certain data completely, accurately, or timely. Overall, for the 349 sampled transactions, we tested 15,352 individual data elements and identified 3,867 errors, which resulted in the following error rates: completeness 3.37%, accuracy 8.50%, and timeliness 13.87%. Of the 3,867 errors identified, 3,346 were attributable to the Department, which resulted in the following error rates: completeness 2.24%, accuracy 6.36%, and timeliness 13.87%. The remaining 521 exceptions were attributable to third parties external to the Department.

<sup>1</sup> The Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) *Inspectors General Guide to Compliance under the DATA Act* (Guide), dated December 4, 2020, provides guidance regarding the fieldwork and reporting related to these performance audit objectives.



For Objective 2, we determined that the Department implemented and used the Government-wide financial data standards established by OMB and Treasury under the DATA Act except for the omission of outlay amounts required by OMB Memorandum M-20-21 from its File C submission.

KPMG cautions that projecting the results of our evaluation to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

This report is intended solely for the use of the U.S. Department of Commerce and its Inspector General, the Comptroller General of the United States, OMB, and relevant congressional committees; and is not intended to be and should not be relied upon by anyone other than these specified parties.

*KPMG LLP*

October 1, 2021

## I. BACKGROUND

The DATA Act was enacted to expand the reporting requirements pursuant to the *Federal Funding Accountability and Transparency Act of 2006* (FFATA). The DATA Act, in part, requires Federal agencies to 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 for DATA Act reporting. The standards are intended to help taxpayers and policy makers understand how agencies spend taxpayer dollars and improve agencies' spending oversight and data-centric decision-making.

In addition to the agency reporting requirements, the DATA Act requires the Inspector General (IG) of each agency to audit a statistical sample of the spending data submitted by its agency and to submit to Congress a publicly-available report assessing the completeness, timeliness, accuracy, and quality of the data sampled, as well as, the implementation and use of the Government-wide financial data standards by the agency.

The CIGIE identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first IG reports were due to Congress in 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, one year after the statutory due date, with two subsequent reports to be submitted following on a two-year cycle. This is the third and final report required under the DATA Act. 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.

A Treasury-assigned broker system (broker) collects agency data, validates the data, and allows the agency to submit the data for publication on [USAspending.gov](http://USAspending.gov). The broker collects agency data through uploads and extractions, as specified by DATA Act Information Model Schema (DAIMS) requirements.

Agencies submit the following files, extracted from their financial systems, directly to the broker in accordance with the DAIMS Reporting Submission Specification (RSS):

- File A, *Appropriations Account*, contains appropriation summary level data aligned to the agency's quarterly SF 133 *Report on Budget Execution and Budgetary Resources*.
- File B, *Object Class and Program Activity*, includes obligation and outlay information at the program activity and object class level.
- File C, *Award Financial*, reports the obligations at the award and object class level.

Files A, B and C are linked through the Appropriations Account, Obligation Amount, Unobligated Balance, and Outlay data elements. Further, Files B and C are linked through the Object Class and Program Activity data elements.

The broker extracts data for the following files from external feeder systems as reflected in the DAIMS Interface Definition Document (IDD):

- File D1, *Award (Procurement)*, reports award and awardee attributes for procurement data extracted from the Federal Procurement Data System-Next Generation (FPDS-NG). This



information is linked to the financial information in File C using a unique Procurement Instrument Identifier (PIID).

- File D2, *Award (Financial Assistance)*, reports award and awardee attributes for financial assistance data extracted from the Award Submission Portal. This information is linked to the financial information in File C using a unique Federal Award Identification Number (FAIN) or Unique Record Identifier (URI).
- File E, *Additional Awardee Attributes*, includes the additional prime awardee attributes extracted from the System for Award Management (SAM).
- File F, *Sub-Award Attributes*, includes sub-award attributes extracted from the FFATA Sub-award Reporting System (FSRS).

The Senior Accountable Official (SAO), or designee, for each agency is required to certify these seven data files for its agency's financial and award data quarterly to be published on USASpending.gov.

The Department is comprised of 13 bureaus and offices (see Appendix D) each with its own management and organizational structure. The Department's DATA Act submission process involves gathering data from disparate systems housing financial and award data.

## II. OBJECTIVES, SCOPE, AND METHODOLOGY

### Objectives

We conducted a performance audit to assess the:

- 1) Completeness, accuracy, timeliness, and quality of the Department's FY 2021, first quarter financial and award data (Files A, B, C, D1, and D2) submitted for publication on USASpending.gov; and
- 2) Department's implementation and use of the Government-wide financial data standards established by the OMB and Treasury.

### Scope

The performance audit covered FY 2021 first quarter financial and award data the Department submitted for publication on USASpending.gov, and the procedures, certifications, documentation, and controls it used for this submission. Our work was performed during the period of March 24, 2021 and September 24, 2021, and our results are as of October 1, 2021.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in GAGAS and the *Standards for Consulting Services* established by the AICPA. GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not evaluate File E, *Additional Awardee Attributes*, and File F, *Sub-Award Attributes*. File E contains information extracted from SAM from the broker. File F contains information extracted from FSRS from the broker system. The prime awardee is responsible for reporting executive compensation and sub-award information in SAM and FSRS. Files E and F data remain the responsibility of the awardee in accordance with terms and conditions of Federal agreements, and the quality of these data remains the legal responsibility of the recipient. Therefore, agency SAOs are not responsible for certifying the quality of File E and F data reported by awardees, but they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the award. As such, we did not assess the completeness, timeliness, quality, and accuracy of the data extracted from SAM and FSRS via the broker.

### Methodology

To achieve the performance audit objectives, we:

- Obtained an understanding of regulatory criteria related to the Department's responsibilities to report financial and award data under the DATA Act;
- Reviewed the Department's data quality plan (DQP);
- Assessed the internal and information system controls in place as they relate to the extraction of data from the source systems and the reporting of data to the broker, in order to assess audit risk and design audit procedures;

- Reviewed and reconciled the FY 2021 first quarter summary-level data in Files A and B submitted by the Department for publication on USASpending.gov to the Department's SF-133, *Report on Budget Execution and Budgetary Resources*;
- Reviewed a statistical sample from File C of the FY 2021 first quarter financial and award data submitted by the Department for publication on USASpending.gov;
- Reviewed the only COVID-19 outlay record of the first quarter of FY 2021, which occurred in the second month of the quarter;
- Assessed the completeness, accuracy, timeliness, and quality of the financial and award data of the only COVID-19 outlay record of the first quarter of FY 2021; and
- Assessed the Department's implementation and use of the 59 data elements/standards established by OMB and Treasury.

We conducted this audit and selected our statistical sample of financial and award data in accordance with the Guide. The Guide requires the expected error rate to be determined based on the results of the November 2019 and subsequent testing of DATA Act information (as applicable). In our FY 2019 DATA Act report, we reported completeness, accuracy, and timeliness error rates of 3.46%, 10.29%, and 0%, respectively. The Guide stated that an error rate of 20% should be used if all error rates are less than 20%; therefore, we utilized an expected error rate of 20% to select our sample. Additionally, the Guide recommends a sample size based on a desired sampling precision of 5% at a 95% confidence level, with a maximum sample size of 385 records. Given these assumptions and the File C population size of 2,818 obligation records, the required sample size to achieve a sampling precision of 5% at a 95% confidence level was 339. We added 10 additional sample items in the event we needed replacement sample items; paragraph 720.03 of the Guide discusses the need for replacement sample items in the event an agency included out-of-scope records in the File C data submission. We tested these 10 sample items to bring our total sample size to 349 and included them in our testing results below. Our sample of 349 items consisted of 305 PIIDs and 44 FAINs.

We also selected the only COVID-19 outlay record from File C in accordance with the Guide. The Guide required that we select a non-statistical sample from the third month of the first quarter of FY 2021 (i.e., December 2020). The Guide stated that we should select the sample based upon our understanding of the Department's outlays, develop criteria to select cases for review within these criteria, and determine the sample size based upon the structure and amount of the data. The sample size did not have to be large enough to support population projection. Rather, the number of cases needed to be sufficient enough to provide examples within each category of the criteria (e.g., dollar amount) used to design the sample. We examined the Department's File C and noted that it only reported one COVID-19 outlay record in November 2020. We did not identify COVID-19 outlay records in October or December 2020. Based on our understanding that this is the Department's only COVID-19 outlay record in the first quarter of FY 2021, we decided to test the one COVID-19 outlay record from November, which related to a PIID award.

### **III. RESULTS AND CONCLUSIONS**

For Objective 1, we determined the Department submitted data of a Higher quality based on the Guide's Quality Assessment Scorecard. However, the Department did not submit certain data completely, accurately, or timely. Overall, for the 349 sampled transactions, we tested 15,352 individual data elements and identified 3,867 errors, which resulted in the following error rates: completeness 3.37%, accuracy 8.50%, and timeliness 13.87%. Of the 3,867 errors identified, 3,346 were attributable to the Department, which resulted in the following error rates: completeness 2.24%, accuracy 6.36%, and timeliness 13.87%. We assessed key internal controls relevant to the audit objectives. As a result, we identified certain internal control deficiencies over the Department's DATA Act submission and proposed 9 related recommendations. Section IV contains details of our findings, identified internal control deficiencies, and related recommendations. The remaining 521 exceptions were attributable to third parties external to the Department. The "Analysis of Errors in Data Elements Not Attributable to the Department" section of the report details the third parties to which these errors were attributable.

For Objective 2, we determined that the Department implemented and used the Government-wide financial data standards established by OMB and Treasury under the DATA Act except for the omission of outlay amounts required by OMB Memorandum M-20-21 from its File C submission.

## IV. FINDINGS

### A. OBJECTIVE 1 FINDINGS

#### 1. Timeliness and Completeness of the Agency Submissions

##### Timeliness

We evaluated the Department's FY 2021 first quarter DATA Act submissions to the broker and determined that the submissions were timely. We also noted that the SAO certified the data timely. To be considered timely, the DATA Act submission had to be submitted by the end of the following month and had to be certified by the SAO within 45 days of the end of the corresponding quarter. The timeliness of the Department's submission resulted in the Department scoring all 5 of the possible points available for the Timeliness of Agency Submission criteria per the Quality Scorecard. See the "Overall Determination of Quality" section for the Department's overall quality score.

##### Completeness

We evaluated the Department's FY 2021 first quarter DATA Act submissions to the broker and determined that the submissions were not complete. To determine completeness of the submission, we evaluated Files A, B and C to determine if all transactions and events that should have been recorded were recorded in the proper period. During our work, we identified certain completeness errors as described in the "Completeness of Summary-Level Data (Files A and B)"; "Suitability of File C for Sample Selection"; and "Supplemental Analysis of the Results by Data Elements" sections of this report.

Based on the minimal impact of the 1,024<sup>2</sup> records of incomplete data detailed below on the Department's scores for the Completeness of Summary-Level Data (Files A and B), Suitability of File C for Sample Selection, and the Record-Level Linkages (Files C and D) criteria, we determined this would not have an adverse impact on the overall quality of the DATA Act submission.

#### 2. Completeness of Summary-Level Data (Files A and B)

We performed summary-level data reconciliations and linkages for Files A and B and identified the following variances:

- As a result of comparing File B to the OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, 304 records in File B had an Object Class Code of 0 that did not agree to an Object Class Code in OMB Circular No. A-11. We noted these differences were identified as a non-fatal broker warning in the Treasury Validation warning report (Warning Report). The Warning Report is generated by the broker and displays all of the records from the Department's submission that triggered a warning or fatal error.

**Cause:** Beginning balance records brought forward from the prior fiscal year do not include an object class code as a result of known system limitations of the Department's financial system. Additionally, on-top adjustment records recorded outside of the

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<sup>2</sup> Total of 304 File B Object Class Records, 265 File B Program Activity Records, 412 PIIDs, and 43 FAInS.

Department's financial system during the GTAS reporting process do not include object class codes.

**Attributable to Department or Third Party:** As the records with default object class codes resulted from a limitation of the Department's financial system and on-top adjustment that the Department recorded during its GTAS reporting process, we determined that this issue is attributable to the Department. However, we did not issue a recommendation for this finding because its error rate was in the 'Higher' quality range as discussed in the "Overall Determination of Quality" section below.

- As a result of comparing File B to the Program and Financing Schedule of the President's Budget, we noted 265 records recorded to program activity codes in File B that were not included in the President's Budget. We noted that the Warning Report identified these differences as a non-fatal broker warning.

**Cause:** The Department does not record valid OMB program activity details into its financial system and is aware that this issue results in reporting default program activities in File B. Consequently, the Department conducts a Program Activity mapping exercise to capture as many Program Activities as possible; however, the Department is not able to map all program codes to a valid OMB program activity code and name.

**Attributable to the Department or Third Party:** As the default program activity codes resulted from the Department not being able to map all program codes within its financial system to a valid OMB program activity, we determined that this finding is attributable to the Department. However, we did not issue a recommendation for this finding because its error rate was in the 'Higher' quality range as discussed in the "Overall Determination of Quality" section below.

Based on the variances identified, we determined the variances would not have an adverse impact on the overall quality of the DATA Act submission because the Department scored 7.78 of the available 10 points for the Completeness of Summary Level Data (Files A & B) criteria per the Quality Scorecard. See the "Overall Determination of Quality" section for the Department's overall quality score.

### 3. Suitability of File C for Sample Selection

We assessed the suitability of File C for sample selection by performing the following procedures:

- We reconciled the linkages between Files B and C by matching the Treasury Account Symbol, object class, and program activity to determine if the linkages were valid and to identify any variances between the files. We identified that the Department's File C omitted all 241 October obligation records totaling \$55 million. The omitted records constituted 8% of the \$687 million of obligations that should have been reported in File C.

**Cause:** The Department did not identify the need to implement monitoring procedures that would have enabled it to detect that its File C completeness control did not operate as designed. This completeness issue was caused by improper configuration of the Department's Data Act Broker (Commerce Broker) when processing two periods (October and November 2021) of data simultaneously. Consequently, the SAO certification statement did not disclose the Commerce Broker's improper configuration as a cause of cross-file linkage issues between Files C, D1, and D2. The omitted records and their impact to the quality of the submission are captured in the PIIDs included in File C but not

in File D1 and FAINs included in File C but not in File D2 analyses below. See Recommendation 1 in the “Recommendations” section.

- We tested the linkages between Files C and D1 and D2 by matching the Award Identification (Award ID). As a result, we identified instances, supported by the warnings reports, in which Award IDs were included in File C that were not included in Files D1 or D2. We also identified instances, supported by the Warning Report, in which Award IDs were included in Files D1 and D2 that were not included in File C. Specifically, we identified the following:
  - 193 PIIDs included in File C but not in File D1
  - 412 PIIDs included in File D1 but not in File C
  - 52 FAINs included in File C but not in File D2
  - 43 FAINs included in File D2 but not in File C

**Cause:** We did not determine the specific cause of each of the variances between Files C, D1, and D2 noted above. However, in addition to the Commerce Broker configuration issue cited on the prior page, we determined that numerous reasons exist for the Department’s exclusion of File C records from Files D1 and D2, and vice versa, such as:

- Awards below the micro-purchase threshold of \$10,000 that were reported in File C were not required to be reported in FPDS-NG, and therefore, would not be included in File D1, which is derived from FPDS-NG.
- As defined by Federal Acquisition Regulation (FAR) 4.603, agencies awarding contract actions with a mix of appropriated and non-appropriated funding only report the fully appropriated portion of the contract action in FPDS-NG. As a result, the Department did not report certain non-appropriated funding in FPDS-NG.

**Attributable to the Department or Third Party:** Some of the differences between Files C, D1, and D2 are attributable to the Department (e.g., improper configuration of Commerce Broker). Other differences are attributable to external parties, such as via the FAR which allows agencies to exclude certain awards from FPDS-NG. As noted above, we included Recommendation 1 in the “Recommendations” section of the report for the omitted October 2020 obligation transactions, which impacted the PIIDs and FAINs included in File D1 and File D2 but not in File C findings discussed above. However, we did not include recommendations in this report for the PIIDs or FAINs included in File C but not in Files D1 or D2 findings because their error rates were in the ‘Higher’ quality range as discussed in the “Overall Determination of Quality” section below.

Based on the variances identified, we determined this would not have an adverse impact on the overall quality of the DATA Act submission as the Department scored 8.25 of the 10 available points for the Suitability of File C for Sample Selection criteria per the Quality Scorecard. See the “Overall Determination of Quality” section for the Department’s overall quality score.

#### 4. Record-Level Data and Linkages for Files C and D

##### Record-Level Data Statistical Sample Testing

We selected a sample of 349 records and tested 15,352 data elements to assess their completeness, accuracy, and timeliness. Of the 15,352 data elements, 534 had completeness errors, 1,250 had accuracy errors, and 2,083 had timeliness errors.

- **Completeness of the Data Elements**

The projected error rate for the completeness of the data elements is 3.37%. Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 1.60% and 5.14%. A data element was considered complete if the required data element that should have been reported was reported.

- **Accuracy of the Data Elements**

The projected error rate for the accuracy of the data elements is 8.50%. Based on a 95% confidence level, the projected error rate for the accuracy of the data elements is between 5.76% and 11.24%. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS RSS, IDD, and the DATA Act Online Data Dictionary, and agreed with the originating award documentation/file. In accordance with the Guide, we considered completeness exceptions to be accuracy exceptions as well.

- **Timeliness of the Data Elements**

The projected error rate for the timeliness of the data elements is 13.87%. Based on a 95% confidence level, the projected error rate for the timeliness of the data elements is between 10.47% and 17.27%. The timeliness of data elements was based on the reporting schedules defined by the financial, procurement and financial assistance requirements (i.e., FFATA, FAR, FPDS-NG, FABS, and DAIMS).

**Cause:** Several situations caused certain data elements within the Department's submission to not be complete, timely, and/or accurate, such as:

- The Department did not identify the need to implement monitoring procedures that would have enabled it to detect that its File C completeness control did not operate as designed. This completeness issue was caused by improper configuration of the Commerce Broker when processing two periods (October and November) of data simultaneously.
- The Department's risk assessment procedures and controls were not properly designed and implemented to identify that OMB Memorandum M-20-21 required that agencies with COVID-19 relief funding report outlay records containing a disaster emergency fund code (DEFC) domain value beginning in the June 2020 DATA Act reporting period, which is earlier than the FY 2022 Q1 requirement for all agencies to report outlays per the DAIMS Version 2.0. Additionally, the Department stated that it relies on the Warning Report to identify potential errors in the Department's submissions. However, the Department did not detect that the Warning Report does not include warnings to identify missing outlay amounts. Finally, the outlays amounts were not included in the Department's File C submission because of the omission of transaction numbers from the bureaus' general ledger data extracts.
- The Department's FPDS-NG data error checking controls over the accuracy of award data in FPDS-NG (including manual investigation and resolution by Contracting Officers), and the controls over the input of award data into FPDS-NG did not operate effectively to identify and correct incomplete and inaccurate award data in FPDS-NG.
- The Department's controls related to the timely approval of procurement awards in FPDS-NG did not operate effectively to ensure compliance with FAR 4.604.



- The Department's procedures related to signing and dating contract awards timely were not consistently followed as not all the award documents were signed and dated.
- The Department's review control of actions taken in FABS did not operate effectively to identify and correct all differences between FABS and the underlying support.
- The Department's verification control over the agreement of awardee information in SAM.gov and the Department's grants system did not operate effectively to prevent discrepancies in awardee information between the two sources at the time of the award.
- The Department's controls related to the timely input of financial assistance award data to FABS were not designed and implemented effectively to ensure compliance with the FFATA requirement to input data within 30 days of award.
- The Department did not enter valid OMB Program Activity details into CBS and did not appropriately map Program Codes to valid OMB Program Activities in its Program Activity Crosswalk. This resulted in default program activities reported in its submission. The Department conducts a Program Activity mapping exercise to capture as many Program Activities as possible. However, the Department was unable to map all of its program activity codes to valid OMB Program Activity Codes and Names. The Department stated that Program Activity data element exceptions appeared to be a system error that was under investigation.
- Awards below the micro-purchase threshold of \$10,000 that were reported in File C were not required to be reported in FPDS-NG, and therefore, would not be included in File D1, which is derived from FPDS-NG.
- As defined by FAR 4.603, agencies awarding contract actions with a mix of appropriated and non-appropriated funding only report the fully appropriated portion of the contract action in FPDS-NG. As a result, the Department did not report certain non-appropriated funding in FPDS-NG.

**Attributable to the Department or Third Party:** The first nine causes are attributable to the Department. See Recommendations 1 through 9 in the "Recommendations" section.

The remaining two causes are not attributable to the Department; therefore, we did not include a recommendation for those causes in this report. The above error rates resulted in the Department scoring 14.5 of 15 completeness points, 27.5 of 30 accuracy points, and 12.9 of 15 timeliness points. See the "Overall Determination of Quality" section for the Department's overall quality score.

### **Record-Level Data Linkages Between Files C and D1/D2**

We tested the linkages between Files C to Files D1 and D2 by matching the Award ID for each of our File C sample items. We identified 1 and 8 records for which the selected sample items were inappropriately excluded from Files D1 and D2, respectively. We noted that the Warning Report identified these records as non-fatal broker warnings. See the "Suitability of File C for Sample Selection" sub-section above for discussion of these errors' causes and attributions. The omitted records from Files D1 and D2 resulted in the Department scoring 6.57 of the 7 possible points available for the Record-Level Linkages (Files C & D1/D2). See the "Overall Determination of Quality" section for the Department's overall quality score.

## 5. Supplemental Analysis of the Statistical Sampling Results by Data Elements

### FY 2021 Data Element Analysis

The following table provides the testing results by data element in descending order by the accuracy attribute's error rate percentage. The error rate percentage is calculated by dividing total errors (per data element) by total number of applicable data elements sample items tested for each attribute. The error rates in Section III of this report reflect the weighted average rates across all data elements and therefore are not intended to agree to the table below. The results are not consistent with the risks identified in the Department's DQP as the Department's DQP did not identify the data elements with the highest sample error rates as high-risk data elements.

Department's Results for Data Elements				
DAIMS Element #	Data Element Name	Sample Error Rate		
		A Accuracy	C Completeness	T Timeliness
57	Outlay (Gross Outlay Amount By Award CPE)	100.00%	100.00%	100.00%
6	Legal Entity Congressional District	55.29%	52.27%	14.80%
29	Ordering Period End Date	50.00%	50.00%	50.00%
4	Ultimate Parent Legal Entity Name	26.05%	5.39%	14.97%
5	Legal Entity Address	23.35%	2.69%	14.97%
56	Program Activity	22.64%	0.00%	4.58%
15	Potential Total Value of Award	20.69%	0.34%	14.48%
11	Amount of Award	20.45%	18.18%	18.18%
30	Primary Place of Performance Address	18.37%	2.71%	15.06%
12	Non-Federal Funding Amount	18.18%	18.18%	18.18%
19	Catalog of Federal Domestic Assistance (CFDA) Number	18.18%	18.18%	18.18%
20	Catalog of Federal Domestic Assistance (CFDA) Title	18.18%	18.18%	18.18%
35	Record Type	18.18%	18.18%	18.18%
37	Business Types	18.18%	18.18%	18.18%
27	Period of Performance Current End Date	17.07%	2.69%	14.97%
28	Period of Performance Potential End Date	16.55%	0.34%	14.48%
14	Current Total Value of Award	15.86%	0.34%	14.48%
36	Action Type	14.05%	3.72%	19.01%
50	Object Class	14.04%	0.00%	4.58%
25	Action Date	9.88%	2.69%	14.97%

Department s Results for Data Elements				
DAIMS Element #	Data Element Name	Sample Error Rate		
		A Accuracy	C Completeness	T Timeliness
31	Primary Place of Performance Congressional District	9.67%	2.72%	15.11%
3	Ultimate Parent Unique Identifier	8.08%	4.79%	14.97%
1	Awardee/Recipient Legal Entity Name	5.99%	2.69%	14.97%
16	Award Type	5.69%	2.69%	14.97%
26	Period of Performance Start Date	5.39%	2.69%	14.97%
34	Award ID Number (PIID/FAIN) [File D]	4.79%	2.69%	14.97%
22	Award Description	3.89%	2.69%	14.97%
40	Funding Sub Tier Agency Name	3.89%	2.69%	14.97%
41	Funding Sub Tier Agency Code	3.89%	2.69%	14.97%
23	Award Modification / Amendment Number	3.72%	3.72%	19.01%
13	Federal Action Obligation	3.59%	2.69%	14.97%
42	Funding Office Name	3.59%	2.69%	14.97%
43	Funding Office Code	3.59%	2.69%	14.97%
17	NAICS Code	3.45%	0.34%	14.48%
18	NAICS Description	3.45%	0.34%	14.48%
2	Awardee/Recipient Unique Identifier	2.99%	2.69%	14.97%
32	Primary Place of Performance Country Code	2.99%	2.69%	14.97%
33	Primary Place of Performance Country Name	2.99%	2.69%	14.97%
38	Funding Agency Name	2.99%	2.69%	14.97%
39	Funding Agency Code	2.99%	2.69%	14.97%
7	Legal Entity Country Code	2.69%	2.69%	14.97%
8	Legal Entity Country Name	2.69%	2.69%	14.97%
44	Awarding Agency Name	2.69%	2.69%	14.97%
45	Awarding Agency Code	2.69%	2.69%	14.97%
46	Awarding Sub Tier Agency Name	2.69%	2.69%	14.97%
47	Awarding Sub Tier Agency Code	2.69%	2.69%	14.97%
48	Awarding Office Name	2.69%	2.69%	14.97%
49	Awarding Office Code	2.69%	2.69%	14.97%
34	Award ID Number (PIID/FAIN) [File C]	2.29%	0.00%	4.58%
53	Obligation	2.01%	0.00%	4.58%

Department s Results for Data Elements				
DAIMS Element #	Data Element Name	Sample Error Rate		
		A Accuracy	C Completeness	T Timeliness
163	National Interest Action	1.72%	0.34%	14.48%
24	Parent Award ID Number [File D]	0.97%	0.48%	14.49%
24	Parent Award ID Number [File C]	0.93%	0.00%	6.98%
430	Disaster Emergency Fund Code	0.86%	0.00%	4.58%
51	Appropriations Account	0.00%	0.00%	4.58%

### FY 2019 and FY 2021 Comparative Results by Data Element

The table below identifies the error rate by data element from the FY 2019 and FY 2021 audit results in descending order by the accuracy attribute's error rate percentage. The information is provided for illustrative purposes only and may not necessarily be indicative of actual percent change based on differences in testing procedures such as population size, sample methodology, quarter tested, file tested, and changes to data definition standards.

Department s Comparative Results for Data Elements				
DAIMS Element #	Data Element Name	Error Rate		
		2021	2019	% Change
6	Legal Entity Congressional District	55.29%	14.04%	41.25%
29	Ordering Period End Date	50.00%	73.33%	(23.33%)
4	Ultimate Parent Legal Entity Name	26.05%	16.29%	9.76%
5	Legal Entity Address	23.35%	18.29%	5.06%
15	Potential Total Value of Award	20.69%	27.21%	(6.52%)
11	Amount of Award	20.45%	8.93%	11.52%
30	Primary Place of Performance Address	18.37%	18.00%	0.37%
12	Non-Federal Funding Amount	18.18%	8.93%	9.25%
19	Catalog of Federal Domestic Assistance (CFDA) Number	18.18%	7.14%	11.04%
20	Catalog of Federal Domestic Assistance (CFDA) Title	18.18%	7.14%	11.04%
35	Record Type	18.18%	7.14%	11.04%
37	Business Types	18.18%	8.93%	9.25%

Department s Comparative Results for Data Elements				
DAIMS Element #	Data Element Name	Error Rate		
		2021	2019	% Change
27	Period of Performance Current End Date	17.07%	22.64%	(5.57%)
28	Period of Performance Potential End Date	16.55%	28.33%	(11.78%)
14	Current Total Value of Award	15.86%	22.45%	(6.59%)
36	Action Type	14.05%	9.14%	4.91%
50	Object Class	14.04%	19.71%	(5.67%)
25	Action Date	9.88%	6.29%	3.59%
31	Primary Place of Performance Congressional District	9.67%	17.14%	(7.47%)
3	Ultimate Parent Unique Identifier	8.08%	11.14%	(3.06%)
1	Awardee/Recipient Legal Entity Name	5.99%	5.43%	0.56%
16	Award Type	5.69%	5.18%	0.51%
26	Period of Performance Start Date	5.39%	25.71%	(20.32%)
34	Award ID Number (PIID/FAIN) [File D]	4.79%	7.14%	(2.35%)
34	Award ID Number (PIID/FAIN) [File C]	4.79%	7.14%	(2.35%)
22	Award Description	3.89%	5.43%	(1.54%)
40	Funding Sub Tier Agency Name	3.89%	4.86%	(0.97%)
41	Funding Sub Tier Agency Code	3.89%	4.86%	(0.97%)
23	Award Modification / Amendment Number	3.72%	7.52%	(3.80%)
13	Federal Action Obligation	3.59%	4.29%	(0.70%)
42	Funding Office Name	3.59%	4.57%	(0.98%)
43	Funding Office Code	3.59%	47.14%	(43.55%)
17	NAICS Code	3.45%	7.48%	(4.03%)
18	NAICS Description	3.45%	7.14%	(3.69%)
2	Awardee/Recipient Unique Identifier	2.99%	5.71%	(2.72%)
32	Primary Place of Performance Country Code	2.99%	9.14%	(6.15%)

Department s Comparative Results for Data Elements				
DAIMS Element #	Data Element Name	Error Rate		
		2021	2019	% Change
33	Primary Place of Performance Country Name	2.99%	9.17%	(6.18%)
38	Funding Agency Name	2.99%	4.29%	(1.30%)
39	Funding Agency Code	2.99%	4.29%	(1.30%)
7	Legal Entity Country Code	2.69%	5.43%	(2.74%)
8	Legal Entity Country Name	2.69%	5.43%	(2.74%)
44	Awarding Agency Name	2.69%	3.71%	(1.02%)
45	Awarding Agency Code	2.69%	3.71%	(1.02%)
46	Awarding Sub Tier Agency Name	2.69%	3.71%	(1.02%)
47	Awarding Sub Tier Agency Code	2.69%	3.71%	(1.02%)
48	Awarding Office Name	2.69%	3.71%	(1.02%)
49	Awarding Office Code	2.69%	3.71%	(1.02%)
53	Obligation	2.01%	3.14%	(1.13%)
24	Parent Award ID Number (File D)	0.97%	17.46%	(16.49%)
24	Parent Award ID Number (File C)	0.97%	17.46%	(16.49%)
51	Appropriations Account	0.00%	4.00%	(4.00%)
56	Program Activity	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
57	Outlay (File C – Gross Outlay Amount By Award CPE)	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
163	National Interest Action	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>
430	Disaster Emergency Fund Code	N/A <sup>3</sup>	N/A <sup>3</sup>	N/A <sup>3</sup>

### Analysis of the Accuracy of Dollar Value-Related Data Elements

The table below summarizes the accuracy of dollar value-related data elements. The absolute value of the error is calculated as the absolute value of the amount that was reported less the amount that should have been reported. These data elements may be related to either File C, File D1, or File D2 and include: Federal Action Obligation, Current Total Value of Award, Potential Total Value of Award, Transaction Obligation Amount, and Amount of Award. The amounts

<sup>3</sup> This data element was not required to be tested during the FY 2019 performance audit; therefore, comparative results are unavailable.

reflected are not projectable because the statistical sample selection was performed on attributes and not monetary amounts.

Accuracy of Dollar Value-Related Data Elements								
PIID/ FAIN	Data Element		Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors
PIID	DE 14	Current Total Value of Award	244	46	0	290	15.86%	\$552,930,652
PIID	DE 15	Potential Total Value of Award	230	60	0	290	20.69%	\$870,705,662
PIID	DE 13	Federal Action Obligation	287	3	0	290	1.03%	\$335,420
PIID	DE 53	Obligation	300	5	0	305	1.64%	\$163,905
FAIN	DE 11	Amount of Award	35	9	0	44	20.45%	\$91,941
FAIN	DE 12	Non-Federal Funding Amount	36	8	0	44	18.18%	\$0
FAIN	DE 13	Federal Action Obligation	35	9	0	44	20.45%	\$91,941
FAIN	DE 53	Obligation	42	2	0	44	4.55%	\$37,996
		<b>Total</b>	<b>1,209</b>	<b>142</b>	<b>0</b>	<b>1,351</b>		

#### Analysis of Errors in Data Elements Not Attributable to the Department

We identified the errors in the table below as third-party errors, which are not attributable to the Department. These errors were included in the error rate calculations above and considered in the overall quality determination. If the data element was incomplete, then it was also considered inaccurate, resulting in an error across both attributes.

We discussed the causes for these errors in the “Record-Level Data and Linkages for Files C and D” section of this report. However, because we did not report these errors to the applicable third-parties, we do not know if they are aware of these issues or if they have corrective action plans in place to address them.

Errors in Data Elements Not Attributable to the Department			
PIID/FAIN	Data Element		Attributed to
PIID	DE 1	Awardee/Recipient Legal Entity Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 2	Awardee/Recipient Unique Identifier	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 3	Ultimate Parent Unique Identifier	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 4	Ultimate Parent Legal Entity Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 5	Legal Entity Address	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 6	Legal Entity Congressional District	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG

Errors in Data Elements Not Attributable to the Department			
PIID/FAIN	Data Element		Attributed to
PIID	DE 7	Legal Entity Country Code	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 8	Legal Entity Country Name	FPDS-NG Extracting from SAM and Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 30	Primary Place of Performance Address	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 31	Primary Place of Performance Congressional District	Treasury's DATA Act Broker Extracting from FPDS-NG
PIID	DE 34	Award ID Number	Treasury's DATA Act Broker Extracting from FPDS-NG
FAIN	DE 1	Awardee/Recipient Legal Entity Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 2	Awardee/Recipient Unique Identifier	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 3	Ultimate Parent Unique Identifier	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 4	Ultimate Parent Legal Entity Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 5	Legal Entity Address	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 6	Legal Entity Congressional District	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 7	Legal Entity Country Code	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 8	Legal Entity Country Name	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 19	CFDA Number	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 20	CFDA Title	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 30	Primary Place of Performance Address	Treasury's DATA Act Broker Extracting from FABS
FAIN	DE 31	Primary Place of Performance Congressional District	Treasury's DATA Act Broker Extracting from FABS

## 6. File C COVID-19 Outlay Testing and Results

We selected the only File C outlay record from the second month of the FY 2021, first quarter DATA Act submission based on the small population size and our understanding that this is the Department's only COVID-19 outlay record in the first quarter of FY 2021. Our testing included assessing the Parent Award ID number, PIID/FAIN, object class, appropriations account, obligation, program activity, and DEFC File C outlays data elements for completeness, accuracy, and timeliness. We were unable to test the COVID-19 outlays record outlay amount because the Department's File C submission did not include the outlay amounts. Based on our testing, we found that the data elements for the one File C outlay record had error rates of 14.3% for completeness, accuracy, and timeliness. The error rates resulted in the Department scoring 6.9 of the available 8 points from the COVID-19 Outlay Testing criteria from the Quality Scorecard. See the "Overall Determination of Quality" section for the Department's overall quality score.

**Cause:** The Department's File C excluded outlay amounts because its risk assessment procedures and controls were not properly designed and implemented to identify that OMB Memorandum M-20-21 *Implementation Guidance for Supplemental Funding Provided in*



*Response to the Coronavirus Disease 2019 (COVID-19)* required that agencies with COVID-19 relief funding report outlay records containing a DEFC domain value beginning in the June 2020 DATA Act reporting period, which is earlier than the FY 2022 Q1 requirement for all agencies to report outlays per the DAIMS Version 2.0. Additionally, the Department stated that it relies on the Warning Report to identify potential errors in the Department’s submissions. However, the Department did not detect that the Warning Report does not include warnings to identify missing outlay amounts.

The outlays amounts were not included in the Department’s File C submission because of the omission of transaction numbers from the bureaus’ general ledger data extracts. The Commerce Broker is configured to determine whether a transaction is considered a procurement or grant record based on its transaction number and pull in outlay amounts accordingly. As the Commerce Broker was not able to determine whether outlay records were grant or procurement records because of the missing transaction numbers, the Commerce Broker did not capture the outlay amounts in File C. See Recommendation 2 in the “Recommendations” section.

### 7. Overall Determination of Quality

In accordance with the Guide, the assessment of overall quality of data was not a projected measurement but was derived using a combination of statistical and non-statistical methods. We combined the results of the statistical sample with the results on the non-statistical testing in a quality scorecard developed by the CIGIE. The scorecard was formatted to calculate quality based on weighted scores of both statistical sampling results and non-statistical testing results. For the quality scorecard, statistical testing results are valued at 60 points and non-statistical testing results are valued at 40 points, for a total of 100 points. The statistical sampling result is valued slightly higher because the DATA Act requires a statistical sample of data submitted and statistical results provide stakeholders with insight on that data. The Guide provides the following table defining the range of scores in determining the quality of the data submission:

<b>Quality Level</b>		
<b>Range</b>		<b>Level</b>
<b>0.0</b>	<b>69.9</b>	<b>Lower</b>
<b>70.0</b>	<b>84.9</b>	<b>Moderate</b>
<b>85.0</b>	<b>94.9</b>	<b>Higher</b>
<b>95.0</b>	<b>100</b>	<b>Excellent</b>

Based on the results of our statistical and non-statistical testing for the Department’s FY 2021, first quarter submission, the Department scored 89 points, which is a quality rating of Higher. The table below summarizes the Department’s scores for the statistical and non-statistical testing.

U.S. Department of Commerce			Maximum Points Possible	
FY 2021 DATA Act Quality Scorecard			Without Outlays (No COVID-19 Funding)	With Outlays (COVID-19 Funding)
	Criteria	Score		
Non-Statistical	Timeliness of Agency Submission	5.0	5.0	5.0
	Completeness of Summary Level Data (Files A & B)	7.8	13.0	10.0
	Suitability of File C for Sample Selection	8.3	13.0	10.0
	Record-Level Linkages (Files C & D1/D2)	6.6	9.0	7.0
	COVID-19 Outlay Testing Non-Statistical Sample	6.9	0.0	8.0
Statistical	Completeness	14.5	15.0	15.0
	Accuracy	27.5	30.0	30.0
	Timeliness	12.9	15.0	15.0
Quality Score	Higher	89.31668508	100.0	100.0

**B. OBJECTIVE 2 FINDINGS**

We evaluated the Department’s implementation and use of the government-wide financial data standards for spending information as developed by OMB and Treasury. The Department implemented and used the data standards as defined by OMB and Treasury under the DATA Act except for the omission of outlay amounts required by OMB Memorandum M-20-21 from its File C submission. See the “File C COVID-19 Outlay Testing and Results” section for discussion of the cause and impact to the Department’s quality score caused by omitting the outlay amounts.

**C. DEFICIENCIES IN INTERNAL CONTROL**

In planning and performing our audit of the Department’s FY 2021 first quarter financial and award data submitted for publication on USASpending.gov, we assessed internal controls to the extent necessary to address our audit objectives by obtaining an understanding of those controls and assessing control risk for the purposes of achieving our objectives. In particular, we assessed the internal control components and underlying principles significant to the audit objectives listed in Appendix B.

The objective of our audit was not to provide assurance on the internal controls; therefore, we did not express an opinion on the internal controls as a whole. Our consideration of the Department's internal controls would not necessarily disclose all deficiencies that might be significant within the context of the audit objectives. Because of the inherent limitations on internal controls, noncompliance with the government-wide financial data standards may nevertheless occur and not be detected.

To assess the effectiveness of the Department's internal controls over source systems related to the extraction of data related to Files A, B and C, we conducted interviews; reviewed supporting documentation related to the Department's OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, testing; and reviewed assurance statements related to the Department's financial management systems. To assess the effectiveness of the Department's internal controls over its DATA Act submission, we conducted interviews and reviewed supporting documentation related to the Department's data submission process, including the Department's process for validating the data and resolving fatal errors. We also reviewed the SAO's certification over the data submitted and supporting documentation, such as bureau CFO confirmations of the completeness, accuracy, and timeliness of reported data.

As a result of our assessment over internal controls relevant to the audit objectives and our performance audit procedures, we identified the following deficiencies in internal control:

- 1) The Department did not identify the need to implement monitoring procedures that would have enabled it to detect that its File C completeness control did not operate as designed. This completeness issue was caused by improper configuration of the Commerce Broker when processing two periods (October and November) of data simultaneously.
- 2) The Department's risk assessment procedures and controls were not properly designed and implemented to identify that OMB Memorandum M-20-21 required that agencies with COVID-19 relief funding report outlay records containing a DEFC domain value beginning in the June 2020 DATA Act reporting period, which is earlier than the FY 2022 Q1 requirement for all agencies to report outlays per the DAIMS Version 2.0. Additionally, the Department stated that it relies on the Warning Report to identify potential errors in the Department's submissions. However, the Department did not detect that the Warning Report does not include warnings to identify missing outlay amounts. Finally, the outlays amounts were not included in the Department's File C submission because of the omission of transaction numbers from the bureaus' general ledger data extracts.
- 3) The Department's FPDS-NG data error checking controls over the accuracy of award data in FPDS-NG (including manual investigation and resolution by Contracting Officers), and the controls over the input of award data into FPDS-NG did not operate effectively to identify and correct incomplete and inaccurate award data in FPDS-NG.
- 4) The Department's controls related to the timely approval of procurement awards in FPDS-NG did not operate effectively to ensure compliance with FAR 4.604.
- 5) The Department's procedures related to signing and dating contract awards timely were not consistently followed as not all the award documents were signed and dated.
- 6) The Department's review control of actions taken in FABS did not operate effectively to identify and correct all differences between FABS and the underlying support.
- 7) The Department's verification control over the agreement of awardee information in SAM.gov and the Department's grants system did not operate effectively to prevent discrepancies in awardee information between the two sources at the time of the award.

- 8) The Department's controls related to the timely input of financial assistance award data to FABS were not designed and implemented effectively to ensure compliance with the FFATA requirement to input data within 30 days of award.
- 9) The Department did not enter valid OMB Program Activity details into CBS and did not appropriately map all Program Codes to valid OMB Program Activities in its Program Activity Crosswalk. This resulted in default program activities reported in its submission. The Department conducts a Program Activity mapping exercise to capture as many Program Activities as possible. However, the Department was unable to map all of its program activity codes to valid OMB Program Activity Codes and Names. The Department stated that Program Activity data element exceptions appeared to be a system error that was under investigation.

#### **D. RECOMMENDATIONS**

We recommend that Department management:

- 1) Develop and implement monitoring procedures over its File C completeness control to ensure that all obligation transactions that occur within a reporting period are included within the Department's submissions, and update the Commerce Broker's configuration to enable it to process multiple months' data simultaneously.
- 2) Design and implement controls to detect all changes to the DATA Act reporting requirements and missing outlay amounts in the Department's DATA Act submissions, and work with the bureaus to include appropriate transaction numbers within the bureaus' general ledger data extracts so that the Commerce Broker will include outlay amounts in the Department's submissions.
- 3) Enhance its FPDS-NG data error checking controls (including manual investigation and resolution by Contracting Officers), and controls over the input of award data in FPDS-NG to effectively identify and correct incomplete and inaccurate data within FPDS-NG prior to the Department's submissions.
- 4) Enhance its FPDS-NG procurement award approval controls to ensure all contract award data are timely approved in accordance with FAR 4.604.
- 5) Reinforce its contract award approval procedures to ensure all contract are signed and dated to properly evidence award approval dates.
- 6) Enhance its controls over the input of data into FABS so that discrepancies between FABS and the underlying support are resolved prior to the Department's submissions.
- 7) Enhance its controls over the verification of whether awardee information in SAM.gov agrees to awardee information in the grants system at the time of award.
- 8) Enhance its controls related to the timely input of financial assistance award data to FABS.
- 9) Enhance its Program Activity crosswalk procedures to ensure that all CBS program activity codes are mapped to valid Program Activity Code and Name values, complete its investigation into the Program Activity data element's exceptions develop and implement appropriate corrective action.

**Appendix A  
Management Response to Report**



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer and**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

October 1, 2021

KPMG LLP  
1801 K Street, N.W.  
Washington, DC 20006

Ladies and Gentlemen:

We appreciate the opportunity to respond to the audit report prepared by KPMG, LLP, and would like to thank the Office of Inspector General and KPMG for their cooperation and courtesies extended during the engagement. The Department is pleased with the result of the audit and that KPMG determined the data submitted to USASpending.gov was of higher quality. Since the last audit in FY 2019, the Department has continued to prioritize improving upon and reporting high quality data to the public.

The Department concurs with the recommendations presented in the report. We recognize that further improvements are necessary, and we will continue to strengthen our controls in FY 2022 through the implementation of detailed corrective action plans.

Thank you for the opportunity to provide comments. If you have any questions or comments, please feel free to call Julie Tao at 202-482-1207.

Sincerely,

**STEPHEN**

**KUNZE**

Stephen M. Kunze

Deputy Chief Financial Officer and  
Director for Financial Management

Digitally signed by  
STEPHEN KUNZE  
Date: 2021.10.01 14:42:07  
-04'00'

**Appendix B**

**Relevant Internal Control Components and Underlying Principles**

The Government Accountability Office's *Standards for Internal Control in the Federal Government* (the Green Book) provides an overall framework for establishing and maintaining an effective internal control system. This framework is based on five internal control components and 17 principles. The table below lists the Green Book internal control components and underlying principles significant to our performance audit objectives.

Internal Control Components	Internal Control Underlying Principles
Risk Assessment	6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
	7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
	9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.
Control Activities	10. Management should design control activities to achieve objectives and respond to risks.
	11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	12. Management should implement control activities through policies.
Information and Communication	13. Management should use quality information to achieve the entity's objectives.
	15. Management should externally communicate the necessary quality information to achieve the entity's objectives.
Monitoring	16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
	17. Management should remediate identified internal control deficiencies on a timely basis.

**Appendix C**  
**List of Acronyms and Short References**

<b>Acronym</b>	<b>Definition</b>
AICPA	American Institute of Certified Public Accountants
Award ID	Award Identification
CBS	Commerce Business System
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DEFC	Disaster Emergency Fund Code
DQP	Data Quality Plan
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Financial Assistance Identifier Number
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System – Next Generation
FSRS	FFATA Sub-award Reporting System
GAGAS	Generally Accepted Government Auditing Standards
GTAS	Government-wide Treasury Account Symbol
IDD	Interface Definition Document
IG	Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier Number
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
URI	Unique Record Identifiers

**Listing of the U.S. Department of Commerce's Bureaus and Offices**

The U.S. Department of Commerce is comprised of 13 bureaus and offices. The 13 bureaus and offices are as follows:

- National Oceanic and Atmospheric Administration
- U.S. Patent and Trademark Office
- Bureau of Economic Analysis
- Census Bureau
- National Institute of Standards and Technology
- National Technical Information Service
- International Trade Administration
- Economic Development Administration
- National Telecommunications and Information Administration
- Bureau of Industry and Security
- Minority Business Development Agency
- Office of the Secretary
- Office of the Inspector General