



Office of the Inspector General
U.S. Commodity Futures Trading Commission

Compliance with DATA Act of 2014 Readiness Review

November 29, 2016

Report Number: 16-REV-02



U.S. COMMODITY FUTURES TRADING COMMISSION

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DATE: November 29, 2016

SUBJECT: U.S. Commodity Futures Trading Commission Compliance with
DATA Act of 2014 – Readiness Review in Fiscal Year (FY) 2016

Introduction

The Digital Accountability and Transparency Act of 2014¹ (DATA Act) enacted May 9, 2014, required that Federal agencies report financial and payment data in accordance with data standards established by the Department of Treasury (Treasury) and the Office of Management and Budget (OMB). The DATA Act required agency Inspectors General (IGs) to review the readiness of the agency's required program. In general, the Act requires agencies to begin reporting financial spending data using Treasury and OMB data standards by May 2017 and publicly posting spending data in machine-readable formats by May 2018. According to the Government Accountability Office, "Full and effective implementation of the DATA Act will allow funds to be tracked at multiple points in the federal spending lifecycle." For example, once fully implemented, amounts appropriated, obligated, and subsequently spent for a particular program activity would all be publicly available on www.USASpending.gov (or a successor system).²

Background

Treasury and OMB have developed 57 data definition standards and issued guidance to Federal agencies, including the *DATA Act Implementation*

¹ Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006. Pub. L. No. 109-282, 120 Stat. 1186 (Sept. 26, 2006), codified at 31 U.S.C. § 6101, note.

² U.S. Government Accountability Office, *DATA Act: Data Standards Established, but More Complete and Timely Guidance is Needed to Ensure Effective Implementation* (GAO-16-261, January 2016).

*Playbook*³. The “playbook” provides a high-level discussion of the vision and objectives of the DATA Act, followed by an eight-step agency implementation plan which agencies can use to develop methodologies for DATA Act implementation. The IGs’ readiness reviews of each Federal agency must 1) review statistical samples of data submitted by the agency under the DATA Act, and 2) report on the completeness, timeliness, quality, and accuracy of the sampled data and the agency’s use of the data standards.

To fulfill our modified reporting obligation, we conducted a readiness review of the CFTC’s progress toward compliance with the DATA Act, and we plan to provide Congress with the first required report in November 2017, with subsequent reports following on a two year cycle, in November 2019 and November 2021,⁴ as mandated by the DATA Act.

Objective Scope and Methodology

The objective of our readiness review was to document our understanding of the processes, systems, and controls which the CFTC has implemented, or plan to implement, to comply with the DATA Act. We reviewed the CFTC’s progress toward DATA Act compliance within the structure of Treasury’s eight-step implementation plan. Specifically, we assessed the CFTC’s progress in completing steps one through six, as early Treasury guidance anticipated that progress would be made in these six steps at the time of our review.

We conducted our work at CFTC headquarters’ office in Washington, D.C., and the Department of Transportation, Federal Aviation Authority, Enterprise Service Center (ESC) field site in Oklahoma City, OK. between May 2016 and October 2016. We interviewed personnel from the CFTC DATA Act working group, including the Chief Financial Officer (CFO), Department of Transportation OIG personnel performing a readiness review of ESC, and the ESC working group lead. We also reviewed CFTC’s and ESC’s implementation plans, documents summarizing the project’s progress, and ESC timelines.

³ Treasury released versions 1.0 and 2.0 of the DATA Act Implementation Playbook in June 2015 and June 2016, respectively. The Playbook is not public, but Treasury has published [one-page summary](#), released versions 1.0 and 2.0 of the DATA Act Implementation Playbook in June 2015 and June 2016, respectively.

⁴ On December 22, 2015, the chair of the Council of the Inspectors General on Integrity and Efficiency issued a [letter](#) memorializing this strategy for dealing with the Inspector General reporting date anomaly and communicated it to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform.

Conclusion

Under an interagency agreement, ESC is implementing the DATA Act requirements on behalf of CFTC and is on schedule to meet its first reporting deadline of May 2017. CFTC and ESC's implementation of the DATA Act have followed the eight-step implementation plan from the "playbook". ESC has a comprehensive technical plan for complying with the DATA Act and is working seamlessly with the CFTC. Those tasks that the CFTC cannot perform are delegated to ESC, monitored by an internal working group, and discussed monthly with the Chief Financial Officer/Senior Accountable Officer (SAO). (See Appendix A – *Eight Steps for Complying with DATA Act 2014*, which summarizes our observations of the six out of eight steps of the "playbook.")

We do not plan to perform additional readiness reviews of CFTC's compliance with the DATA Act. As required, we will review statistical samples of the data and report on its completeness, timeliness, quality, and accuracy by November 2017. Management stated that no written comments were necessary and therefore we are issuing this report in final. For additional information or to discuss our responses, please contact me at (202) 418-5084 or mcastillo@cftc.gov.

Cc:

Clark Ogilvie, Chief of Staff

A. Roy Lavik, Inspector General

Judith A. Ringle, Deputy Inspector General and General Counsel

Appendix A⁵

Eight Steps for Complying with DATA Act 2014

1. Organize Team: Create an agency DATA Act working group including impacted communities and identify Senior Accountable Official.

Status: Complete

OIG Evaluation: CFTC has a five-member DATA Act working group of subject matter experts from the Financial Management Branch including a Deputy Accounting Officer (Lead), an Accounting Officer, a Senior Procurement Executive, a Budget Officer, and the Chief Financial Officer as the Senior Agency Officer (SAO). In addition, ESC has a DATA Act program group composed of a project manager and technical experts.

2. Review Elements: Review list of DATA Act elements and participate in data definitions standardization.

Status: Complete

OIG Evaluation: ESC completed its review of data elements in August 2015. The CFTC working group reviewed data element definitions concurrently with ESC and found the data elements to be consistent with current definitions.

3. Inventory Data: Perform inventory of agency data and associated business processes.

Status: Complete

OIG Evaluation: ESC performed an inventory of agency data by identifying source systems for each of the 57 data elements. The CFTC working group relied on ESC's work and noted that only eight of the data elements which are financial were required for other financial reporting tasks.

4. Design and Strategize: Plan changes to systems and business processes to capture data that are complete, multilevel, and fully linked.

Status: Complete

OIG Evaluation: CFTC submitted the required agency implementation plan in September 2015. CFTC's implementation plan clearly points to the work for ESC to perform. ESC submitted its implementation plan in August 2015 and updated it in July 2016. ESC's implementation plan and more detailed project plan covers the topics and considers the factors that will allow ESC to fully

⁵ Data Act Implementation Playbook version 1.0 and OIG work performed.

implement the DATA Act. The CFTC formally tracks ESC's progress and reports progress monthly to the CFO/SAO.

5. Prepare Data for Submission to the Broker: Implement system changes and extract data iteratively.

Status: In Progress

OIG Evaluation: CFTC is dependent on ESC implementation of necessary system changes. We note that ESC has not mapped data elements via a common identifier (Award ID) between the CFTC's financial systems because ESC is waiting on the system software patches from the software developer.

6. Test Broker Outputs and Ensure Data are Valid: Test broker outputs to ensure data are valid iteratively.

Status: In Progress

OIG Evaluation: CFTC is relying on ESC to test data validity. ESC has tested the broker using only sample data. As noted earlier, ESC will test CFTC transmitted data after software patches are installed and been available by the software vendor in a timely manner to accommodate ESC's testing cycle.

7. Update Data and Systems: Implement other system changes iteratively.

Status: In Progress

OIG Evaluation: We did not include this step in our readiness review.

8. Submit Data: Update and refine process.

Status: In Progress

OIG Evaluation: We did not include this step in our readiness review.



DATA Act Readiness Reviews

Agency 8-Step Plan

Steps for Agencies	Timeline
1) Organize team Create an agency DATA Act work group including impacted communities (e.g., CIO, Budget, Accounting, etc.) and identify Senior Accountable Officer (SAO)	By spring 2015
2) Review elements Review list of DATA Act elements and participate in data definitions standardization	By spring 2015
3) Inventory data Perform inventory of Agency data and associated business processes	February 2015 – September 2015
4) Design & strategize a) Plan changes (e.g., adding Award IDs to financial systems) to systems and business processes to capture data that are complete multi-level (e.g., summary and award detail) fully-linked data b) <i>Prepare cost estimates for FY 2017 budget projections</i>	March 2015 – September 2015
5) Execute broker Implement system changes and extract data (includes mapping of data from agency schema to the DATA Act schema; and the validation) iteratively	October 2015 – February 2016
6) Test broker implementation Test broker outputs to ensure data are valid iteratively	October 2015 – February 2016
7) Update systems Implement other system changes iteratively (e.g., establish linkages between program and financial data, capture any new data)	October 2015 – February 2017
8) Submit data Update and refine process (repeat 5-7 as needed)	March 2016 – May 9, 2017

Source: DATA Act Implementation Playbook version 1.0

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