



*Status of Digital Accountability and
Transparency Act Implementation Efforts*

March 17, 2017

Reference Number: 2017-10-018

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

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HIGHLIGHTS

STATUS OF DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT IMPLEMENTATION EFFORTS

Highlights

**Final Report issued on
March 17, 2017**

Highlights of Reference Number: 2017-10-018 to the Internal Revenue Service Chief Financial Officer and Chief Procurement Officer.

IMPACT ON TAXPAYERS

The Digital Accountability and Transparency Act of 2014 (DATA Act) establishes Governmentwide standards that are designed to provide consistent, reliable, and searchable Governmentwide Federal agency spending data that are available to taxpayers. In addition to summary-level information reporting, transaction-level information is reported for spending on Federal contracts, grants, and loans. The DATA Act can provide taxpayers with increased information on how the IRS spends its funds.

WHY TIGTA DID THE AUDIT

The DATA Act requires the Offices of Inspectors General and the Comptroller General of the United States to prepare a series of oversight reports that include an assessment of the completeness, timeliness, quality, and accuracy of data submitted. This audit was initiated to assess the steps taken by the IRS to prepare for the implementation of the DATA Act.

WHAT TIGTA FOUND

The IRS has made progress in its efforts to implement the requirements of the DATA Act, but much work remains. These efforts are being performed in coordination with the Treasury Departmental Offices DATA Act Work Group, which is leading the Department of the Treasury's implementation efforts.

The IRS has established an agency implementation team led by a Senior Accountable Official and reviewed and provided feedback on the standardized definitions for the

required 57 data elements established by the Office of Management and Budget and the Department of the Treasury. The IRS also has performed a limited comparison of the 57 data elements to available internal data source information and has identified system changes needed to meet DATA Act reporting requirements.

TIGTA identified areas that require additional attention. Specifically, the IRS did not clearly identify the source for 18 of the 57 data elements or document how the 57 data elements are used in its business processes as required. In addition, the IRS has not finalized the accounting procedures needed to support the posting of transaction-level grant program information in its financial system as required by the DATA Act. Finally, IRS Procurement manually enters data for 10 procurement-related elements required for DATA Act reporting into external systems for every contract award and contract modification.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Chief Financial Officer update the data source inventory to include all required information and clearly document the data source of all required data elements. In addition, the Chief Financial Officer should finalize accounting procedures and associated controls to support the posting of transaction-level financial information for IRS grant programs. Finally, the Chief Procurement Officer should pursue methods of automating the capture of data for 10 procurement-related elements required for DATA Act reporting.

In their response, IRS management agreed with our recommendations and provided their planned corrective actions to address the issues detailed in our report.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 17, 2017

MEMORANDUM FOR CHIEF FINANCIAL OFFICER
CHIEF PROCUREMENT OFFICER

FROM: Michael E. McKenney
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Status of Digital Accountability and Transparency Act Implementation Efforts (Audit # 201610012)

This report presents the result of our review to assess the steps taken by the Internal Revenue Service to prepare for the implementation of the Digital Accountability and Transparency Act of 2014. This review is included in our Fiscal Year 2017 Annual Audit Plan and addresses the major management challenge of Achieving Program Efficiencies and Cost Savings.

Management's complete response to the draft report is included as Appendix V.

Copies of this report are also being sent to the Internal Revenue Service managers affected by the report recommendations. If you have any questions, please contact me or Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations).



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Abbreviations

Award ID	Award Identification Number
DATA Act	Digital Accountability and Transparency Act of 2014
IRS	Internal Revenue Service
OMB	Office of Management and Budget



Status of Digital Accountability and Transparency Act Implementation Efforts

Background

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014,¹ and required the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) to establish Governmentwide financial data definition standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds.² Federal agencies are required to report financial data in accordance with the established 57 data element³ definitions for DATA Act reporting beginning May 2017. The goal of the DATA Act is to deliver consistent, reliable, and searchable Governmentwide spending data that are available to taxpayers.

The DATA Act establishes Governmentwide financial data standards to deliver more consistent, reliable, and searchable Governmentwide spending data that are available to taxpayers.

Specifically, the DATA Act expands the information Federal agencies were required to report under the Federal Funding Accountability and Transparency Act of 2006.⁴ This information now must include the amount of funds made available (appropriated) to Federal agencies, a summary reporting of how these funds are spent (obligated and disbursed), and the program activities they support. For example, the Internal Revenue Service (IRS) Fiscal Year⁵ 2016 enacted budget included \$11.2 billion in new appropriated funding, including \$33.5 million related to IRS grant programs. In addition, the DATA Act requires that summary-level information be linked to transaction-level spending information for Federal contracts, grants, and loans.⁶ This transaction-level information would show what goods and services the IRS purchased, at what cost, from which specific contractor, and the location of the contractor. IRS transaction-level information would also show the grants made, the purpose and amount of each grant, and whom

¹ Pub. L. No. 113-101, 128 Stat. 1146 (2014).

² On May 8, 2015, the OMB and Treasury issued final data definition standards guidance. Additional data definition standards related to Federal award reporting were finalized on August 31, 2015, to improve comparability of other data reported in connection with the Federal Funding Accountability and Transparency Act's 2006 and 2008 requirements. Section 2(b) of the Federal Funding Accountability and Transparency Act requires reporting of Federal award-level data to include award title, award amount, recipient, and purpose of the award, among other data elements.

³ See Appendix IV for a list of the 57 data elements.

⁴ Pub. L. No. 109-282, 120 Stat. 1186 (2006).

⁵ A fiscal year is any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.

⁶ As of June 30, 2016, the IRS Office of Procurement was responsible for administering 2,350 procurements. The IRS currently has three grant programs, which are the Low Income Tax Clinic, Volunteer Income Tax Assistance, and Tax Counseling for the Elderly.



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the individual grant recipients were. The IRS budget does not include any amounts related to financial assistance in the form of loans.

The goal of the DATA Act is to improve the quality of data submitted to USAspending.gov (or a successor system) by holding Federal agencies accountable for the completeness and accuracy of the data submitted. The Government Accountability Office's prior work on Federal data transparency has found persistent challenges related to the quality and completeness of data agencies reported to USAspending.gov. One of the purposes of the DATA Act is to address these challenges and to increase the accessibility of data to benefit the public.

One of the key components of the DATA Act is the 57 data element standardized definitions. The data elements include, for example, contract award description and total amount of the award. The DATA Act technical schema, developed by the Treasury, details the specifications for the format, structure, and transmission of the required data. By May 2017, all Federal agencies will be required to provide data for posting on USAspending.gov using the revised technical specifications. The Treasury is also developing a production broker for agency use. A broker is an information system that collects, maps, takes in, transforms, validates, and submits agency data in the required format.

To aid agency implementation of the DATA Act's requirements, the OMB has provided guidance to agencies through a number of policy documents.⁷ For example, OMB guidance requires all Federal agencies to link agency financial systems with award systems by the use of specified unique prime award identification numbers (Award ID) for financial assistance awards (grants) and contracts.⁸ Agencies are required to have the Award ID linkage for all modifications (amendments) to awards made after January 1, 2017, for reporting to USAspending.gov (or its successor system). The Award ID (Financial Assistance Instrument Identifiers for grants and Procurement Instrument Identifiers for procurements) serves as the key to connect data across award systems and financial systems. The purpose of this linkage is to facilitate the timely reporting of award-level financial data and reduce reporting errors.

During June 2015, the Treasury released the *DATA Act Implementation Playbook* (Version 1.0) (Playbook) to assist all Federal agencies with meeting their reporting requirements under the DATA Act. The Playbook was subsequently revised in June 2016 (Version 2.0) and contains an explanation of eight suggested steps and a timeline for agencies to use as they began planning for DATA Act implementation. An outline of the Treasury's eight-step implementation approach is detailed below.

⁷ OMB, Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable* (May 2015) and OMB, Controller Alert, *DATA Act Implementation and Offices for Financial Assistance Awards* (Dec. 2015).

⁸ The Award ID is the unique identifier of the specific award reported.



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DATA Act Implementation Playbook – eight-step implementation plan

- **Step 1: Organize a Team** – Create an agency DATA Act work group, including affected communities, and identify a Senior Accountable Official.
- **Step 2: Review Elements** – Review the list of DATA Act elements and participate in data definitions standardization.
- **Step 3: Inventory Data** – Perform an inventory of agency data sources and associated business processes for the DATA Act elements.
- **Step 4: Design and Strategize** – Plan changes to systems and business processes to capture data that are complete multilevel fully-linked data.
- **Step 5: Prepare Data for Submission to the Broker** – Implement system changes and extract data iteratively (repeating the process until the desired outcome is achieved).⁹
- **Step 6: Test Broker Implementation** – Test Broker outputs to ensure that data are valid iteratively.
- **Step 7: Update Systems** – Implement other changes iteratively.
- **Step 8: Submit Data** – Update and refine process (repeat Steps 5 through 7 as needed).

Mandatory oversight required by the DATA Act

The DATA Act mandates the oversight of its implementation by the Offices of Inspectors General and the Comptroller General of the United States. Specifically, the DATA Act requires a series of oversight reports to include an assessment of the completeness, timeliness, quality, and accuracy of data submitted. The first Inspector General reports were originally due to Congress in November 2016. However, because agencies are not required to submit spending data in compliance with the DATA Act until May 2017, the Inspectors General were unable to report on the spending data submitted under the DATA Act. On December 22, 2015, the Counsel of the Inspectors General on Integrity and Efficiency sent a letter to Congress that defined and communicated a strategy for the Inspector General reporting timeline. As a result, the first mandatory Inspector General report was pushed back one year to November 2017. Subsequent reports will follow in November 2019 and November 2021.

Comprised of 26 Offices of Inspector Generals, including the Treasury Inspector General for Tax Administration, the Inspector General Community DATA Act Working Group was established in January 2015. This working group encouraged the Inspectors General to perform DATA Act “readiness reviews” at their respective agencies and developed a common methodology for the

⁹ The Broker is the Treasury information system that will collect, map, take in, transform, validate, and submit agency data in the required format.



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conduct of these reviews. Accordingly, we are conducting a review of the plans and actions taken by the IRS as it prepares to meet the requirements of the DATA Act.

Our review used the Treasury Playbook to determine the IRS's readiness to implement the DATA Act's agency requirements and evaluated steps taken to implement Playbook Steps 1 through 4. Implementation of Steps 5 through 8 were not evaluated as part of this audit. An assessment of the completeness, timeliness, quality, and accuracy of data submitted by the IRS under the DATA Act will be addressed by a separate audit.

This review was performed at the Offices of the Chief Financial Officer and Chief Procurement Officer located in Washington, D.C., during the period March through November 2016. 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 our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.



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Results of Review

The IRS has made progress in its efforts to implement the requirements of the DATA Act, but much work remains. In order to timely submit the first required reporting under the DATA Act in May 2017, the IRS will need to complete all of its system, business process, and accounting changes and complete the remaining six Playbook steps.

Implementation Progress Has Been Made, but Much Work Remains

The IRS efforts are being performed in coordination with the Treasury Departmental Offices DATA Act Work Group, which is leading the Treasury's implementation efforts and has overall responsibility for coordinating the implementation of the requirements of the DATA Act within its 29 reporting entities, including the IRS. The following summarizes actions taken by the IRS to complete each of the first four steps in the Treasury Playbook.

Step 1: Organize a Team – This step requires the creation of an agency DATA Act working group and identification of a Senior Accountable Official.

The IRS established a DATA Act working group from its affected business functions, including Budgeting, Accounting, Contracting and Procurement, Grants Administration, and Information Technology. The first meeting of this working group was held in May 2015. The IRS Associate Chief Financial Officer for Financial Management was identified as the IRS's designated DATA Act Senior Accountable Official and is responsible for leading the agency's implementation efforts. The working group generally meets on a weekly basis and uses an internally developed agency action plan to monitor its progress on key deliverables in support of the overall Treasury Departmental Offices DATA Act Work Group Implementation Plan. The IRS also prepared a project budget, which included both projected staffing needs and contractor support costs, through implementation. The IRS estimated that implementation of the DATA Act will require approximately 7,000 direct IRS staff hours and \$1.2 million in contractor support. This step is complete.

Step 2: Review Elements – This step requires the review of the 57 data elements and participation in data definitions standardization.

The IRS reviewed the proposed DATA Act elements to obtain an understanding of the definition for each element and provided ongoing feedback to the Treasury Departmental Offices DATA Act Work Group as part of this process. For example, the IRS identified 24 elements for which it believed further clarification of the definition was needed. This step is complete.

Step 3: Inventory Data – This step requires the performance of an inventory of agency data sources and associated business processes for the DATA Act elements. The purpose of



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conducting a data inventory is to identify which agency data sources and related systems contain the information to support the 57 data elements that need to be extracted and reported. This is necessary to ensure that the IRS is capturing all the required data and that the definitions for the data being captured match those required by the DATA Act.

The Playbook requires the linkage of the agency data sources inventory to associated business processes. This inventory should include a review of how the DATA Act elements are used across agency business processes and systems and how elements, sources, and processes fit together.

We reviewed the DATA Inventory spreadsheet that the IRS provided to the Treasury Departmental Offices DATA Act Work Group and other relevant documents in connection with this step and found that they did not include all required information for any of the 57 data elements and did not clearly identify the data source for 18 of the 57 data elements. Although the IRS identified internal source data systems such as the Integrated Financial System¹⁰ and Integrated Procurement System¹¹ for 39 (68 percent) of the 57 data elements, it did not document how each element is used across its business processes and systems or how the element, its data source, and associated business processes link together as required by the Playbook.

For the 18 of 57 data elements without a clearly identified data source, it was only noted that the information to support these elements is not currently captured in the IRS's existing internal systems. During our audit field work, the IRS stated that the necessary information for four of the 18 data elements is populated directly by contractors in the Government Services Administration System for Award Management and will be extracted from this system for DATA Act reporting.¹² The IRS further noted that the information supporting the remaining 14 data elements is generally available in its hard copy records and must be manually entered into either Federal Procurement Data System-Next Generation¹³ (procurements) or Award Submission Portal¹⁴ (grants) for each award and will be extracted from these systems for DATA Act reporting.

¹⁰ The Integrated Financial System contains the IRS's core financial systems, including expenditure controls, accounts payable, accounts receivable, general ledger, and budget formulation. The system includes a managerial cost accounting capability that enables the IRS to make informed and timely performance-based business and budgetary decisions.

¹¹ The Integrated Procurement System is a procurement system that is used to track obligations, create solicitations and awards, handle vendor files, and generate reports. This is an OMB-reported Financial Management System.

¹² The System for Award Management is a free platform through which entities applying to receive awards from the U.S. Federal Government must register.

¹³ The Federal Procurement Data System-Next Generation is a searchable repository of data related to Government procurement and contracts and other Government assistance such as grants and cooperative agreements. For more information, see Government Accountability Office, GAO-09-1032T, *Federal Contracting: Observations on the Government's Contracting Data Systems* (Sept. 2009).

¹⁴ The Award Submission Portal is a platform that allows Federal agencies to submit Assistance Award data for publication on USAspending.gov as required by the Federal Funding Accountability and Transparency Act of 2006.



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The IRS advised us that it does not believe that any gaps exist between the 18 data elements and its available source information. However, the IRS has not yet updated its inventory to reflect its current research, and our review indicates that further work is needed. For example, the current inventory does not indicate what specific documents within IRS contract and grant files should be used to extract the required information to support each of the 14 required data elements or the business processes that will be used to manually enter that data into external systems. Further, the IRS has not determined whether the DATA Act element “Non-Federal Funding Amount” would require it to report grantee-matching contributions related to its various grant programs or how this reporting would be accomplished, if required.

The IRS told us that it is in the process of replacing its existing procurement system with a scheduled implementation of a new system in late Calendar Year 2017. As part of this effort, the IRS Office of Procurement indicated that it is finalizing what additional information will be included in this new procurement system. Under consideration is a plan to add the information necessary to support automating the capture of data for 10 procurement-related elements required for DATA Act reporting that are not captured in its current system and must be manually entered into the Federal Procurement Data System-Next Generation for each contract award and/or modification.¹⁵ According to IRS Procurement, prior to implementing any design modifications to the successor system to support DATA Act reporting, they will need to consider feasibility, cost, and schedule impacts to the planned implementation date.

Until the IRS updates its data source inventory to clearly reflect the specific data source of each element, documents how the element is used across its business processes and systems, and documents how the elements’ data sources and associated business processes link together, it remains at risk of not meeting the requirements of the DATA Act. This step is not complete.

Step 4: Design and Strategize – This step requires the planning of changes to systems and business processes to capture data that are complete multilevel fully-linked data.

The IRS has determined that it needs to make both system and process changes in order to implement the DATA Act requirements, including reporting summary and transactional information that is fully linked. The system changes planned by the IRS include adding a prime Award ID – Procurement Instrument Identifier for procurements and Financial Assistance Identifying Number for financial assistance awards – to the IRS’s Integrated Financial System so that financial and award data can be linked for each contract/grant (financial assistance) award. The IRS is also creating a new file within its financial system in order to report the award-level detail mandated by the DATA Act.

To comply with the DATA Act, the IRS must also change the accounting process it uses to record transactions related to its grant programs in its financial system. The IRS is responsible for the administration of three separate grant programs, Tax Counseling for the Elderly,

¹⁵ The remaining four of the 14 data elements are specific to grants and cannot be addressed in the IRS successor procurement system. The IRS will continue to enter these four elements manually into external reporting systems.



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Volunteer Income Tax Assistance, and Low Income Tax Clinic. Total budgeted funding in Fiscal Year 2016 for IRS grant programs was approximately \$33.5 million.

Under the IRS's existing accounting approach for its grant programs, the IRS enters summary-level information on its grant programs in its Integrated Financial System. The IRS currently uses the Department of Health and Human Services for the financial administration and detail-level accounting of its grant programs to disburse payments to individual grantees and record those transactions. The IRS told us that it plans to begin posting transaction-level financial information for its grants, based on information provided by the Department of Health and Human Services, into the Integrated Financial System via accounting journal entries beginning in Fiscal Year 2017.

The IRS told us that it is developing accounting procedures for the recording of its grant transactions. However, at the conclusion of our fieldwork, the IRS had not finalized the accounting procedures and associated controls needed to support this accounting process change. It also did not include in its implementation plan any milestones to guide the implementation and testing of this new process. The timely completion of the accounting procedures and associated controls and testing of this new process is critical to ensuring that grant reporting under the DATA Act is complete, accurate, and reliable. This step is not complete.

Finally, in order to timely submit the first required reporting under the DATA Act in May 2017, the IRS will need to complete all of its system, business process, and accounting changes and complete the remaining six Playbook steps.

Recommendations

Recommendation 1: The Chief Financial Officer should update the data source inventory to include all required information and clearly document the data source of all required data elements.

Management's Response: The IRS agreed with this recommendation. The Chief Financial Officer has created a comprehensive data source inventory that clearly documents the 57 DATA Act data elements.

Recommendation 2: The Chief Procurement Officer should pursue methods of automating the capture of data for 10 procurement-related elements required for DATA Act reporting in its successor procurement system.

Management's Response: The IRS agreed with this recommendation. The Chief Procurement Officer will pursue data automation methods for the 10 procurement-related elements that are now manually entered into the Federal Procurement Data System-Next Generation. The IRS will review the availability of funds, feasibility, and affect to the scheduled implementation date of the planned successor procurement system, when determining the nature and extent of the automation methods.



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Recommendation 3: The Chief Financial Officer should finalize and implement accounting procedures and associated controls necessary to support the planned posting of transaction-level financial information for IRS grants into the Integrated Financial System.

Management's Response: The IRS agreed with this recommendation. The Chief Financial Officer has developed, and will finalize, the accounting procedures and associated controls needed to support the planned posting of IRS grants transaction-level financial information into the Integrated Financial System.



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Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to assess the steps taken by the IRS to prepare for the implementation of the DATA Act of 2014.¹ Our review used Steps 1 through 4 of the Treasury Eight-Step Implementation Plan as the criteria when completing audit Steps II through IV. An assessment of the completeness, timeliness, quality, and accuracy of data submitted by the IRS under the DATA Act was not performed as part of this audit. That mandatory audit will be completed once our readiness review has been completed. To accomplish our objective, we:

- I. Obtained an understanding of the guidance provided to Federal agencies by the OMB and the Department of the Treasury (Treasury) regarding the reporting requirements under the DATA Act.
- II. Assessed the governance structure used by the IRS to manage the implementation of the DATA Act.
 - A. Documented an understanding of the governance structure that the IRS has established to manage the implementation of the DATA Act.
 - B. Verified whether a Senior Accountable Official has been identified and a DATA Act working group timely established that includes members from all IRS functions with reporting requirements.
 - C. Reviewed the methodology used by the DATA Act working group to manage the implementation, document key decisions, and track project status.
 - D. Analyzed the processes established by the DATA Act working group for reviewing required data elements and definitions.
 - E. Evaluated the IRS's participation in the data standardization effort and determined whether any concerns were identified with the data elements or definitions.
- III. Verified whether the IRS conducted a data inventory and developed an implementation plan including solutions for addressing any gaps identified in its data.
 - A. Evaluated the methodology used to trace how DATA Act elements are used across IRS business processes, systems, and applications.
 - B. Obtained and reviewed the completed data inventory and evaluated whether the inventory:

¹ Pub. L. No. 113-101, 128 Stat. 1146 (2014).



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1. Included all DATA Act elements.
 2. Identified the financial, procurement, and grant systems in which each element is captured.
 3. Identified any manual systems/processes used to maintain the data element.
 4. Identified elements that are not currently captured (gaps) in its systems or those that are difficult to readily extract.
- C. For any gaps and not readily extractable information identified in the inventory:
1. Reviewed solutions identified/proposed and evaluated the solutions and the status of solution implementation.
 2. Assessed the potential impact of any gaps on the IRS's DATA Act implementation efforts.
- D. Verified that the IRS developed an agency action plan or similar document in support of the overall Treasury DATA Act Implementation Plan.
1. Gained and documented an understanding of the process that the IRS is using to implement the DATA Act and the means with which it is tracking the implementation.
 2. Verified that the implementation plan and associated project management documents summarize the steps needed for implementation are supported by a timeline and include cost estimates.
- IV. Assessed the process used by the IRS to track and document the status/progress of its implementation efforts.

Internal controls methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the IRS's DATA Act implementation plan, DATA Act implementation budget, DATA Act element gap analysis summary, and weekly summaries of completed and in process implementation actions. We evaluated these controls by interviewing officials in the offices of the Chief Financial Officer and Office of Procurement, reviewing the DATA Inventory spreadsheet that the IRS provided to the Treasury Departmental Offices DATA Act Work Group, and reviewing DATA Act implementation status summaries and associated DATA Act implementation and policy documents.



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Appendix II

Major Contributors to This Report

Gregory D. Kutz, Assistant Inspector General for Audit (Management Services and Exempt Organizations)

Alicia P. Mrozowski, Director

Anthony J. Choma, Audit Manager

Michele N. Strong, Lead Auditor

James Mills, Senior Auditor



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Appendix III

Report Distribution List

Commissioner
Office of the Commissioner – Attn: Chief of Staff
Deputy Commissioner for Operations Support
Deputy Commissioner for Services and Enforcement
Director, Office of Audit Coordination



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Appendix IV

*Digital Accountability and Transparency Act
of 2014 Data Elements*

57 Data Elements
1. Appropriations Account
2. Budget Authority Appropriated
3. Object Class
4. Obligation
5. Other Budgetary Resources
6. Outlay
7. Program Activity
8. Treasury Account Symbol (excluding sub-account)
9. Unobligated Balance
10. Action Date
11. Action Type
12. Award Description
13. Award Identification Number
14. Award Modification/Amendment Number
15. Award Type
16. Business Types
17. Catalog of Federal Domestic Assistance Number
18. Catalog of Federal Domestic Assistance Title
19. North American Industrial Classification System Code
20. North American Industrial Classification System Description
21. Ordering Period End Date
22. Parent Award Identification Number
23. Period of Performance Current End Date
24. Period of Performance Potential End Date
25. Period of Performance Start Date
26. Primary Place of Performance Address



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57 Data Elements
27. Primary Place of Performance Congressional District
28. Primary Place of Performance Country Code
29. Primary Place of Performance Country Name
30. Record Type
31. Amount of Award
32. Current Total Value of Award
33. Federal Action Obligation
34. Non-Federal Funding Amount
35. Potential Total Value of Award
36. Awardee/Recipient Legal Entity Name
37. Awardee/Recipient Unique Identifier
38. Highly Compensated Officer Name
39. Highly Compensated Officer Total Compensation
40. Legal Entity Address
41. Legal Entity Congressional District
42. Legal Entity Country Code
43. Legal Entity Country Name
44. Ultimate Parent Legal Entity Name
45. Ultimate Parent Unique Identifier
46. Awarding Agency Code
47. Awarding Agency Name
48. Awarding Office Code
49. Awarding Office Name
50. Awarding Sub Tier Agency Code
51. Awarding Sub Tier Agency Name
52. Funding Agency Code
53. Funding Agency Name
54. Funding Office Code
55. Funding Office Name
56. Funding Sub Tier Agency Code
57. Funding Sub Tier Agency Name

Source: Department of the Treasury DATA Act Data Standards.



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Appendix V

Management's Response to the Draft Report



CHIEF FINANCIAL OFFICER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

February 17, 2017

MEMORANDUM FOR MICHAEL E. MCKENNEY
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Ursula S. Gillis
Chief Financial Officer

SUBJECT:

Draft Audit Report – Status of Digital Accountability and
Transparency Act Implementation Efforts (Audit # 201610012)

Thank you for the opportunity to respond to the draft report from your review of the IRS's readiness to implement the Digital Accountability and Transparency Act requirements. We agree with the recommendations listed in the draft report, and have developed and will implement the corrective actions detailed in the attachment.

If you have any questions, please contact William H. Maglin II, Associate Chief Financial Officer for Financial Management, at 202-803-9730.

Attachment

cc: Legislative Affairs



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Attachment

RECOMMENDATION 1

The Chief Financial Officer should update the data source inventory to include all required information and clearly document the data source of all required data elements.

CORRECTIVE ACTION

The IRS agrees with this recommendation. The Chief Financial Officer (CFO) has created a comprehensive data source inventory that clearly documents the 57 DATA Act data elements.

IMPLEMENTATION DATE

December 29, 2016 (completed)

RESPONSIBLE OFFICIAL

Chief Financial Officer

CORRECTIVE ACTION MONITORING PLAN

N/A

RECOMMENDATION 2

The Chief Procurement Officer should pursue methods of automating the capture of data for ten procurement-related elements required for DATA Act reporting in its successor procurement system.

CORRECTIVE ACTION

The IRS agrees with this recommendation. The Chief Procurement Officer will pursue data automation methods for the 10 procurement-related elements that are now manually entered into the Federal Procurement Data System-Next Generation. The IRS will review the availability of funds, feasibility, and affect to the scheduled implementation date of the planned successor procurement system, when determining the nature and extent of the automation methods.

IMPLEMENTATION DATE

September 15, 2017

RESPONSIBLE OFFICIAL

Chief Procurement Officer

CORRECTIVE ACTION MONITORING PLAN

Bi-weekly Integrated Financial System (IFS) executive meetings are held to monitor implementation and make trade-off decisions for the successor procurement system.



*Status of Digital Accountability
and Transparency Act Implementation Efforts*

RECOMMENDATION 3

The Chief Financial Officer should finalize and implement accounting procedures and associated controls necessary to support the planned posting of transaction-level financial information for IRS grants into the Integrated Financial System.

CORRECTIVE ACTION

The IRS agrees with this recommendation. The CFO has developed, and will finalize, the accounting procedures and associated controls needed to support the planned posting of IRS grants transaction-level financial information into the Integrated Financial System.

IMPLEMENTATION DATE

May 1, 2017

RESPONSIBLE OFFICIAL

Chief Financial Officer

CORRECTIVE ACTION MONITORING PLAN

N/A