



Office of Inspector General

U.S. Consumer Product Safety Commission

CPSC Compliance with the Digital Accountability and Transparency Act

November 08, 2017

Vision Statement

We are agents of positive change striving for continuous improvements in our agency's management and program operations.

Statement of Principles

We will:

Work with the Commission and the Congress to improve program management;

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews;

Use our investigations and other reviews to increase Government integrity and recommend improved systems to prevent fraud, waste, and abuse;

Be innovative, question existing procedures, and suggest improvements;

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness;

Strive to continually improve the quality and usefulness of our products; and

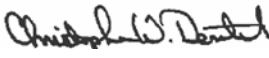
Work together to address Government-wide issues.



Office of Inspector General
U. S. CONSUMER PRODUCT SAFETY COMMISSION

November 8, 2017

TO: Ann Marie Buerkle, Acting Chairman
Robert S. Adler, Commissioner
Elliot F. Kaye, Commissioner
Marietta S. Robinson, Commissioner

FROM: Christopher W. Dentel, Inspector General 

SUBJECT: Audit of the CPSC's Compliance with the DATA Act

This report contains the results of our audit of the U.S. Consumer Product Safety Commission's (CPSC) compliance with the Digital Accountability and Transparency Act (DATA Act). The DATA Act requires that Federal agencies report financial and payment data in accordance with data standards established by the U.S. Department of the Treasury (Treasury) and Office of Management and Budget (OMB). Making federal spending data accessible, searchable, and reliable provides opportunities not only to have an open, public-facing dialogue on how federal dollars are spent, but also to serve as a tool for better oversight, management decision-making, and innovation both inside and outside of government.

This audit was conducted in accordance with Government Auditing Standards.

The objectives of the audit were to assess the completeness, timeliness, quality, and accuracy of fiscal year 2017 second quarter financial and award data submitted for publication on Beta.USAspending.gov, and the CPSC's implementation and use of the Government-wide financial data standards established by OMB and Treasury.

In our report we make two recommendations which when implemented will improve the quality of CPSC data as reported in Beta.USAspending.gov.

We provided management with copies of our findings and recommendations throughout the audit process. We discussed with them their comments on the report at an exit conference and incorporated their comments into the report as appropriate.

In the next 30 calendar days, in accordance with OMB A-50, the CPSC is required to provide me with management's Corrective Action Plan describing the specific actions they anticipate taking to implement each recommendation.

Thank you for the courtesy and cooperation extended to my staff during the audit.

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CPSC Compliance with the Digital Accountability and Transparency Act

November 2017

Summary

Objectives

The objectives of our audit were to assess the completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter financial and award data submitted for publication on Beta.USAspending.gov, and the U.S. Consumer Product Safety Commission's (CPSC) 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).

Background

The CPSC is an independent Federal regulatory agency with a public health and safety mission to protect the public from unreasonable risks of injury and death from consumer products.

The Digital Accountability and Transparency Act (DATA Act) requires that Federal agencies report financial and payment data in accordance with data standards established by Treasury and OMB. Making federal spending data accessible, searchable, and reliable provides opportunities not only to have an open, public-facing dialogue on how federal dollars are spent, but also to serve as a tool for better oversight, management decision-making, and innovation both inside and outside of government.

When implemented, the DATA Act will provide better opportunities to understand how federal programs and investments can improve the lives of the American public and make program delivery more effective.

This report addresses:

CPSC strategic goal #4:

Communicate useful information quickly and effectively to better inform decisions

OIG Management Challenge #2:

Adequacy of Internal Controls

Findings

We found issues with the completeness and accuracy of CPSC information posted to Beta.USAspending.gov. We found no timeliness issues, and we note that overall quality is a reflection of government-wide and agency errors. We calculated the overall error rates for CPSC data using a standard methodology developed by Treasury and OMB. We further evaluated the causes of the errors we found. We identified errors that are attributable to government-wide issues, data supplied by systems outside CPSC control, and data entry issues by CPSC staff. The tables later in the report provide further detail of each error.

Recommendations

We make two recommendations to improve the quality of CPSC data as reported in Beta.USAspending.gov.

We recommend that the CPSC management develop a review process that ensures the data entered into its systems is accurate and reliable before it is certified by the Senior Accountable Official and submitted for publication on Beta.USAspending.gov.

We also recommend management establish a process to communicate issues identified by CPSC staff to government-wide providers and document those communications.

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Abbreviations and Short Titles

Broker	Treasury's DATA Act Broker
CPSC	U.S. Consumer Product Safety Commission
DATA Act	Digital Accountability and Transparency Act
ESC	Enterprise Service Center
FAR	Federal Acquisition Regulation
FPDS	Federal Procurement Data System
GAO	Government Accountability Office
Green Book	<i>Standards of Internal Control in the Federal Government</i>
IDV	Indefinite Delivery Vehicle
OIG	Office of Inspector General
OMB	Office of Management and Budget
SAO	Senior Accountable Official
Treasury	U.S. Department of the Treasury

Objectives

The objectives of our audit were to assess the completeness, timeliness, quality, and accuracy of fiscal year 2017, second quarter financial and award data submitted for publication on Beta.USAspending.gov, and the U.S. Consumer Product Safety Commission's (CPSC) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and U.S. Department of the Treasury (Treasury).

Background

The Digital Accountability and Transparency Act (DATA Act¹) was enacted May 9, 2014. The purpose of this act is to improve the ability of Congress and the American people to track and understand how the government uses its resources. The DATA Act is an attempt to make Federal spending data accessible, searchable, and reliable. Its intent is to provide opportunities for an open dialogue on how federal dollars are spent and to serve as a tool for better oversight, management decision-making, and innovation both inside and outside of government. The DATA Act expanded the reporting requirements set out in the Federal Funding Accountability and Transparency Act of 2006.²

The DATA Act requires that Federal agencies report specified financial and payment data in accordance with the data standards established by Treasury and OMB. In accordance with these standards, in addition to existing criteria, agencies that disburse Federal awards of grants, loans, and contracts must report on fifty-seven³ newly standardized and defined data elements.⁴

This data is displayed in a database, Beta.USAspending.gov, managed by Treasury. The data as displayed contains information from seven data files. Three of the files are submitted directly by each agency and with additional data in four files submitted by government-wide award reporting systems.

Data had been previously reported to USAspending.gov. However, going forward, a new site, Beta.USAspending.gov, will display the data, which will be made available to taxpayers and policy makers. The "Beta" site will run concurrently with the previous version of the USAspending.gov website to minimize disruptions to users' data access

¹ Public Law 113-101 (May 9, 2014)

² Public Law 109-282 (September 26, 2006). Under this law, Federal agencies reported 259 data elements.

³ The 57 data elements and definitions can be found at <https://fedspendingtransparency.github.io/data-elements/>

⁴ A data element is any unit of data defined for processing, such as a unique recipient identifier or award amount.

and provide more time to add user-centered enhancements. Each Federal agency and the Government-wide award reporting systems must provide data to Beta.USAspending.gov in accordance with DATA Act standards via a Broker, a software layer that compiles agency and government-wide data and prepares it for publication.

The CPSC's accounting services are contracted with the U.S. Department of Transportation's Enterprise Service Center (ESC). The CPSC prepares the data which ESC staff enters into their financial system, Delphi. ESC then compiles and validates the data through the Broker's validator function. The validator checks the data for errors against the DATA Act standards and displays critical errors or warnings. Once the errors have been addressed by the CPSC, the data is certified by the CPSC's Senior Accountable Official (SAO), completing the final step of submission to the Broker. The CPSC data submission for the period under audit was certified by the SAO on April 27, 2017.

Findings

Overall, we found that the CPSC implemented the Government-wide data standards in accordance with the implementation guidance provided by OMB and Treasury. We found the CPSC has data management policies, procedures, and internal controls in place to ensure that data are entered into its financial and procurement systems timely. We reviewed the date of each transaction and determined the data was reported timely in accordance with the DATA Act data standards. However, the CPSC has neither effective data quality assurance review procedures nor a process to identify and communicate errors to government-wide data providers.

Finding 1: Data Entry Needs Improvement

The Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, (Green Book) requires management to use quality information to achieve the entity's objectives, and internally and externally communicate information necessary to achieve the entity's objectives. Green Book also requires management to establish and operate monitoring activities of its internal control system, evaluate the results, and remediate identified internal control deficiencies on a timely basis.

Additionally, specific to DATA Act requirements, OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, the agency SAO is responsible for performing

a quarterly certification to assure that their agency’s internal controls support the reliability and validity of the data.

In addition to DATA Act requirements, we also considered certain Federal Acquisition Regulations (FAR) requirements as they impact DATA Act reporting. FAR 4.604, Responsibilities, requires the Contract Action Report to be finalized within three business days after contract award. Contract Action Reports that are entered in the Federal Procurement Data System (FPDS) in a draft status or containing errors are not considered complete for DATA Act reporting purposes.

We tested 131 sample items each of which included 196 data elements, for a total of 25,676 datapoints reviewed.⁵ There were instances where the data reported to ESC by the CPSC did not match data contained in the source documentation. Additionally, we identified areas that were not compliant with FAR requirements.

Table 1: Agency Data Entry Issues

Element Number	Agency/Data Entry issues	No. of Samples	Percent of Samples	Number of Instances
16(A)	"Type of Contract Pricing" identified as "Firm Fixed Price", the statement of work implies "Fixed Price Incentive"	3	2.29%	3
25, 26	Incorrect "Period of Performance Start Date" and/or "Action Date" does not correspond to award document	38	29.01%	70
26, 27, 28	"Period of Performance Current End Date" and/or "Period of Performance Potential End Date" is prior to "Period of Performance Start Date"	2	1.53%	4
27, 28	"Period of Performance Current End Date" and/or "Period of Performance Potential End Date" is not consistent with award document	6	4.58%	7
88	"Government Furnished Equipment Government Furnished Property" indication does not correspond to the statement of work	3	2.29%	3
139	"Small Disadvantaged Business" indicated on award document but not supported by System for Award Management registration	1	0.76%	1
170	"Performance Based Service Acquisition" is indicated but not supported by the blanket purchase agreement	4	3.05%	4
FAR	FPDS Report maintained in the contract file is a draft version	1	0.76%	1
FAR	FPDS Reporting finalized more than 3 days after award	8	6.11%	8

Source: Office of Inspector General (OIG) analysis of Beta.USAspending.gov and CPSC data.

The errors occurred due to CPSC staff, who entered the data manually: selecting incorrect options from the drop down menus in FPDS; making data entry mistakes; not printing the final version of the FPDS report; and not finalizing the Contract Action Report in FPDS in accordance with the FAR. Further, the CPSC did not review data that was uploaded on behalf of the agency. Data entry errors and a lack of effective review compromised the completeness and accuracy of the data submitted to ESC and

⁵ Since we tested 196 elements for each sample, we identified samples which contained multiple instances of errors within the transaction.

ultimately resulted in incorrect data being displayed on Beta.USAspending.gov for taxpayers and policy makers to use as they evaluate agency programs.

Recommendation

We recommend CPSC management:

1. Develop a review process that ensures the data entered is accurate and reliable before it is submitted to ESC and the data Broker, prior to certification by the SAO.

Finding 2: Government-wide Issues Need to be Addressed

The GAO Green Book requires management to use quality information to achieve the entity’s objectives, and internally and externally communicate information necessary to achieve the entity’s objectives. Green Book also requires management to establish and operate monitoring activities of its internal control system, evaluate the results, and remediate identified internal control deficiencies on a timely basis.

Additionally, as previously discussed, the agency SAO is responsible for performing a quarterly certification to assure that their agency’s internal controls support the reliability and validity of the data.

During fieldwork, a number of issues impacting CPSC data were found to be occurring government-wide, due to Broker issues. These issues were not directly attributable to the CPSC.

Table 2: Government-wide Issues

Element Number	Government-wide/Broker issues	No. of Samples	Percent of Samples	Number of Instances
14(A), 15	"Current Total Value of Award" and "Potential Total Value of Award" amounts incorrect for Procurement Award Modifications	112	85.50%	221
16(B), 16(C)	"Indefinite Delivery Vehicle" (IDV) Type and "Contract Award Type" errors were identified	131	100.00%	131

Source: OIG analysis of Beta.USAspending.gov and CPSC data.

Treasury identified a problem with how FPDS extracts the amounts for “Current Total Value of Award” and “Potential Total Value of Award” data elements for contracts which have been modified since the initial award. For example, contracts which have been modified should show the value of the most recent modification and the cumulative amount of the base and all modifications previously executed in the “Current Total Value of Award” column and the cumulative amount that could

potentially be obligated on a contract if all options were to be exercised in the “Potential Total Value of Award” column. However, the Broker reads all financial information from the “Current” column in FPDS. As a result, data for the “Current Total Value of Award” and “Potential Total Value of Award” elements were inconsistent with agency records.

According to Treasury officials, the “Indefinite Delivery Vehicle (IDV) Type” and “Contract Award Type” elements are reported in the same field. Unfortunately, the Broker did not properly extract the data for these elements. This resulted in inconsistencies between agency data as reflected in Beta.USAspending.gov and the data as reflected in agency records. Treasury’s DATA Act Program Management Office confirmed that they are aware of this issue and have taken steps to avoid this issue in future reporting periods.

As the CPSC is not responsible for how data is extracted by the Broker, we did not evaluate the reasonableness of the information provided by Treasury related to the Broker data extraction issues. While these errors are beyond the agency’s control, the agency is responsible for certifying the validity and reliability of its data as posted on Beta.USAspending.gov.

In addition to the above items, we also identified several other potential government-wide issues which will require further review from CPSC and Broker staff to confirm the cause of the error.

Table 3: Potential Broker Issues

Element Number	Potentially Government-wide/Broker issues	No. of Samples	Percent of Samples	Number of Instances
2, 3, 5(E)(iii), 6, 31,	Broker not importing leading zeros for numerical values. Specifically elements related to zip codes, Dun and Bradstreet numbers, and congressional districts are not reported completely.	99	75.57%	253
3	Unable to locate the Dun and Bradstreet numbers (“Ultimate Parent Unique Identifier”)	14	10.69%	20
4, 6	“Ultimate Parent Legal Entity Name” and “Legal Entity Congressional District” element is blank	7	5.34%	9
5(E)(iii)	“Legal Entity ZIP_4” not correct	2	1.53%	2
30(H)(i)	“Primary Place of Performance Location Code” is not pulled for the element	131	100.00%	131
50, 56(B)	The “Object Class and Program Activity” file (B) has 4 lines with '0' Program Activity code and Object Class and 'UNKNOWN' for Program Activity Name	4	3.05%	4

Source: OIG analysis of Beta.USAspending.gov and CPSC data.

These errors may have occurred because of issues with the data Broker. However, the CPSC did not review data that was uploaded to the Broker on its behalf and thus did not catch the errors. These issues have impacted the accuracy and reliability of

the data displayed on Beta.USAspending.gov for review and use by taxpayers and policy makers.

Recommendation

We recommend CPSC management:

2. Establish a process to communicate DATA Act issues to Government-wide providers, to include the Broker, and document those communications.

Overall Assessment

The DATA Act requires that agencies Inspectors General review a statistical sample of the data submitted to Beta.USAspending.gov by the agency. The Inspectors General are required to report on the completeness, timeliness, accuracy, and quality of the data sampled and the use of the data standards by the agency.

Error Rate

The error rate was calculated per OMB and Treasury guidance. This guidance requires that error rates be stated as a percentage of errors for any single data element. Thus, if only one data element had an error, but that error appeared in all samples the error rate is 100 percent. Conversely, if only one sample had errors across all data elements and there were no other errors, the error rate would be less than one percent based on the CPSC sample size of 131.

Completeness is measured in two ways: first, all transactions that should have been recorded are recorded in the proper reporting period; and second, the percentage of transactions containing all applicable data elements required by the DATA Act. Timeliness reflects the portion of the award-level transactions reported within 30 days after the quarter in which they occurred. Accuracy is the percentage of transactions that are complete and consistent with the system(s) of record or other authoritative sources.

Table 4: Error Rates of Sample Tests Performed

Government-wide	Completeness	Timeliness	Accuracy
Data Element Number(s)	30(H)(i)	N/A	16(B), 16(C)
Number of Items Tested	131	0	131
Number of Items Incorrect	131	0	131
Error Rate	100%	0%	100%
Agency Specific	Completeness	Timeliness	Accuracy
Data Element Number(s)	N/A	N/A	25, 26
Number of Items Tested	0	0	131
Number of Items Incorrect	0	0	38
Error Rate	0%	0%	29%

Source: OIG analysis of Beta.USAspending.gov and CPSC data testing results.

Overall Data Quality

To assess the overall quality of the data submitted to the Broker for publication on Beta.USAspending.gov, we compared our sample results with the requirements of the DATA Act. We note that all samples failed at least one data element requirement. Therefore, we found the data to be unreliable for meeting the purposes of the DATA Act. The agency has identified policies and procedures which, when combined with improved government-wide data provider controls should allow taxpayers to rely on the completeness and accuracy of Beta.USAspending.gov with greater assurance. When these controls are implemented the CPSC will have more effective control over its financial and award data.

Consolidated List of Recommendations

We recommend CPSC management:

1. Develop a review process that ensures the data entered is accurate and reliable before it is submitted to ESC and the data Broker, prior to certification by the SAO.
2. Establish a process to communicate DATA Act issues to Government-wide providers, to include the Broker, and document those communications.

Appendix A: Scope and Methodology

Scope

The scope of this audit is fiscal year 2017, second quarter financial and award data, that the CPSC submitted for publication on Beta.USAspending.gov and any applicable procedures, certifications, documentation, and controls utilized to implement the data standards. Fieldwork for this audit was performed from August 2017 to October 2017 at CPSC headquarters in Bethesda, Maryland. Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or abuse in the program under review.

Methodology

To accomplish the objectives of this audit, we reviewed and gained an understanding of the following:

- DATA Act, Public Law 113-101 (May 9, 2014)
- OMB M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, (May 8, 2015)
- OMB M-2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, (May 3, 2016)
- Treasury, *DATA Act Implementation Playbook*, version 2.0 (June 2016)
- OMB M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, (November 4, 2016)
- OMB M-10-06, *Open Government Directive*, (December 8, 2009)
- OMB, *Open Government Directive – Framework for the Quality of Federal Spending Information*, (February 8, 2010)

We interviewed agency personnel to gain their understanding of the history and current operation of the CPSC with regard to DATA Act implementation, as well as policies, practices, and reporting requirements.

To confirm whether DATA Act reporting is complete, timely, and accurate, we obtained and reviewed data from the Broker for the second quarter of fiscal year 2017. From that data we identified a population of 196 transactions. Using OMB and Treasury methodology, we determined we needed to test 131 items to obtain a statistically valid sample.

We conducted this audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Internal Controls Over DATA Act Implementation

The GAO Green Book is the primary criteria used for internal control testing purposes. These are the standards Federal agencies must follow to maintain effective internal controls for both financial and non-financial programs. Internal control is a process used by management to help a program achieve its goals. There are five internal control components and 17 principles.

Table 5. Results of Internal Control Review

	Internal Control Components and Principles	Met	Partially Met	Not Met
<i>Control Environment</i>				
1	The oversight body and management should demonstrate a commitment to integrity and ethical values	X		
2	The oversight body should oversee the entity's internal control system	X		
3	Management should establish an organizational structure, assign responsibilities, and delegate authority to achieve the entity's objectives.	X		
4	Management should demonstrate a commitment to recruit, develop and retain competent individuals	X		
5	Management should evaluate performance and hold individuals accountable for their internal control responsibilities.	X		
<i>Risk Assessment</i>				
6	Management should define objectives clearly to enable the identification of risks and define risk tolerances	X		
7	Management should identify, analyze and respond to risks related to achieving the defined objectives.	X		
8	Management should consider the potential for fraud when identifying, analyzing and responding to risks	X		
9	Management should identify, analyze and respond to significant control changes that could impact the internal control system.	X		
<i>Control Activities</i>				
10	Management should design control activities to achieve objectives and respond to risks	X		
11	Management should design the entity's information system and related control activities to achieve objectives and respond to risks	X		
12	Management should implement control activities through policies	X		
<i>Information and Communication</i>				
13	Management should use quality information to achieve the entity's objectives.		X	
14	Management should internally communicate the necessary quality information to achieve the entity's objectives.		X	
15	Management should externally communicate the necessary quality information to achieve the entity's objectives.		X	
<i>Monitoring</i>				
16	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.		X	
17	Management should remediate identified internal control deficiencies on a timely basis.	X		
Totals				

Source: CPSC OIG analysis based on interviews and document reviews.

Appendix C: Management Response

The OIG presented agency management with the Notice of Findings and Recommendations on October 19, 2017. Management stated their agreement with each of these in their response on October 26, 2017. An exit conference was held with the agency on November 7, 2017 where a draft was discussed. The management-provided comments were incorporated into this report, as appropriate.

Finding 1: Agency Data Entry Needs Improvement

Management concurs with the finding. We will develop a corrective action plan for ensuring that data entered is accurate and reliable before certified by the SAO. The plan will be provided to the Inspector General.

Finding 2: Government-wide Issues Need to be Addressed

Management concurs with the finding. We will develop a corrective action plan that includes a process for communicating issues to the data Broker and documenting the communications. The plan will be provided to the Inspector General.

CONTACT US

If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving CPSC's programs and operations, please contact the CPSC Office of Inspector General.



Call:

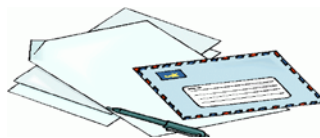
Inspector General's HOTLINE: 301-504-7906

Or: 1-866-230-6229



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Or **Write:**

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