Michael S. LaForge, CPA

Mr. LaForge is an assistant director with the U.S. Government Accountability Office (GAO) in Dallas, Texas. Mike has been at GAO for 17 years with the Financial Management and Assurance team and is currently responsible for the team's work related to the Digital Accountability and Transparency Act of 2014 (DATA Act), Federal Financial Management Improvement Act of 1996 (FFMIA), and federal financial management systems. He has also performed a variety of assignments related to the Department of Defense (DOD) and Department of Homeland Security (DHS) high risk financial management areas, cost management, and debt collection. He has received numerous awards over the years and most recently received GAO's Meritorious Service Award.

Prior to joining GAO, Mike worked for a small public accounting firm in Oklahoma City that exclusively served governmental entities. His six years of experience included governmental accounting, auditing, and consulting for municipalities throughout Oklahoma.

Mike earned a Bachelor of Science degree in accounting from Oklahoma State University and a Masters of Business Administration degree from the University of Central Oklahoma. He is a certified public accountant in the State of Oklahoma and currently lives in Allen, Texas with his wife and their three children.

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

GAO's Oversight of DATA Act Implementation

AGA DALLAS CHAPTER

2016 PROFESSIONAL DEVELOPMENT TRAINING
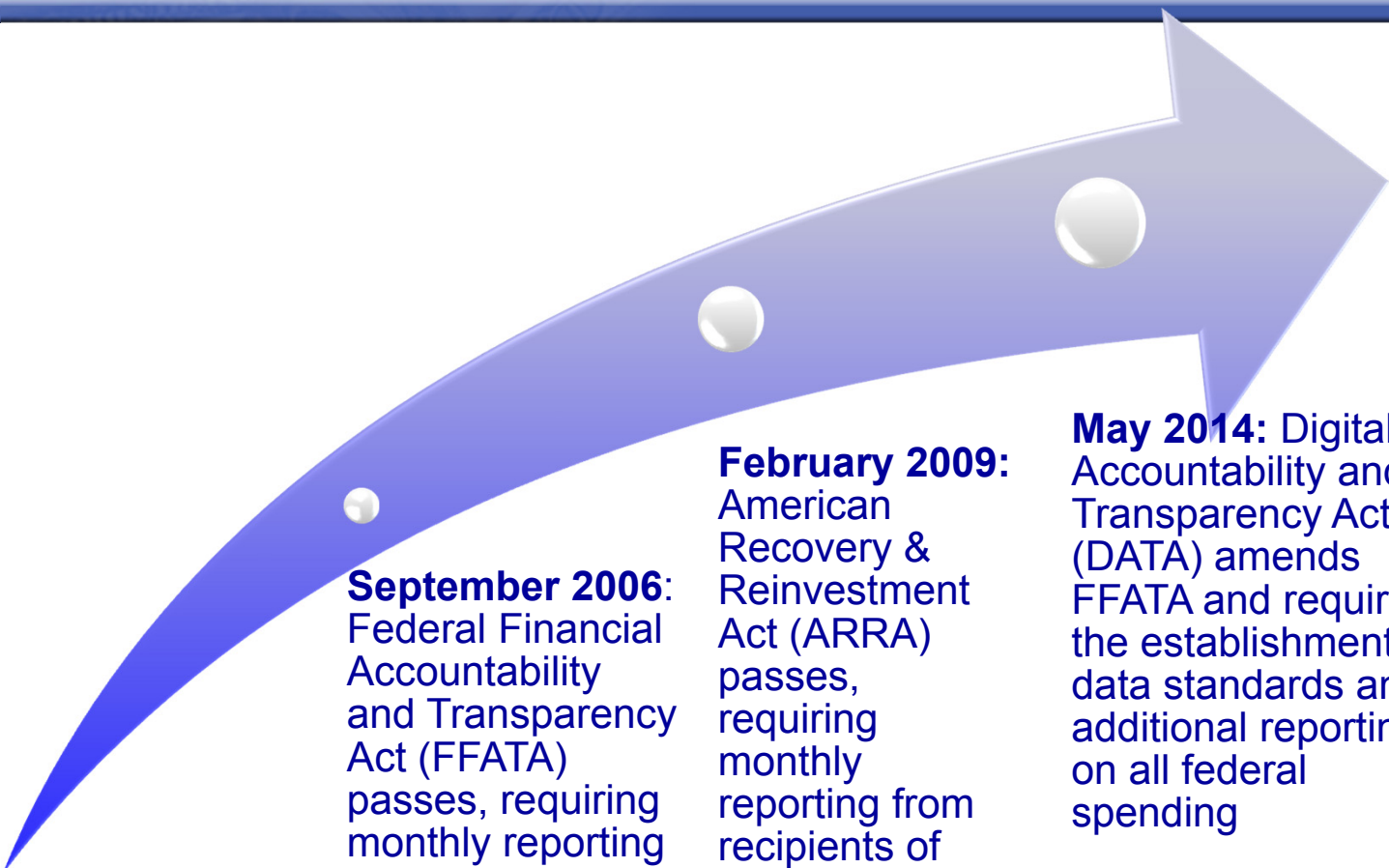"INNOVATE, TRANSFORM, ACHIEVE"

April 21, 2016

Michael LaForge
Assistant Director
Financial Management and Assurance
U.S. Government Accountability Office

Today's Agenda

- Overview of the DATA Act

- Status of DATA Act Implementation

- GAO's Oversight Approach, Recent Reports and Testimonies

- GAO's Ongoing Engagements and Activities

- Q & A – Open Discussion

Federal Data Transparency: The Continuing Story

September 2006: Federal Financial Accountability and Transparency Act (FFATA) passes, requiring monthly reporting of federal awards and contracts

February 2009: American Recovery & Reinvestment Act (ARRA) passes, requiring monthly reporting from recipients of federal funds

May 2014: Digital Accountability and Transparency Act (DATA) amends FFATA and requires the establishment of data standards and additional reporting on all federal spending

USA SPENDING.GOV
An official website of the U.S. Government

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HOME | ABOUT | WHERE IS THE MONEY GOING | REFERENCES | DOWNLOAD CENTER | CONTACT US

WHAT IS USASPENDING.GOV?

USASpending.gov is the publicly accessible, searchable website mandated by the Federal Funding Accountability and Transparency Act of 2006 to give the American public access to information on how their tax dollars are spent. Learn More...

OVERVIEW OF AWARDS - FY 2016

The federal agencies distribute funding through federal contracts, grants, loans, and other financial assistance. See the Overview of Awards by Fiscal Year trend graph for spending by all Fiscal Years.

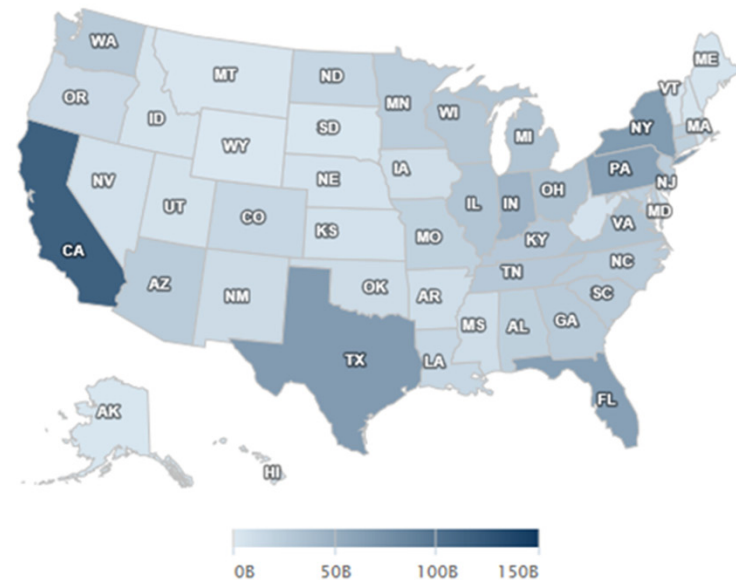Contracts

Grants

Loans

Other Financial Assistance*

*See explanation in Glossary

Text View of Overview of Awards

AWARDS BY STATE - FY 2016

Roll over map to see data. Click on state for more details

0B   50B   100B   150B

Text View of Awards by State

SHORTCUTS

- FAQs
- Data Archives
- About the Data
- Download Center

SEARCH FOR A RECIPIENT

Recipient Name | Go

See Awards in Your Neighborhood

SPENDING MAP

4

USA
SPENDING.GOV
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Search Data by Keyword   Search Site

Enter Keyword   Go

Advanced Data Search

HOME   ABOUT   WHERE IS THE MONEY GOING   REFERENCES   DOWNLOAD CENTER   CONTACT US

USAspending > Where is the Money Going > State Summary

STATE SUMMARY:TEXAS

Texas ▾   Fiscal Year 2016 ▾   Go

Total Funds Awarded - FY 2016
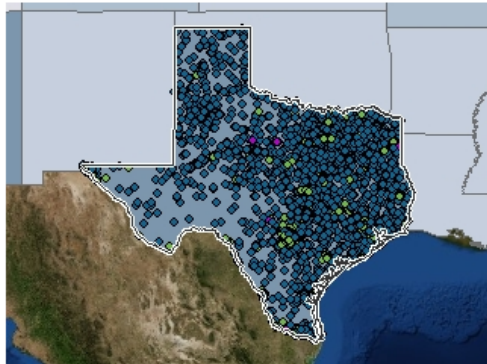**$66,535,287,820**

Total Number of Transactions - FY 2016
143,078

Total SubAward Funds - FY 2016
$3,679,086,245

Total SubAward Transactions - FY 2016
24,594

MORE DATA FOR TEXAS

» Assistance Awards

» Contracts Awards

Top Recipients

Top Awarding Agencies

Top Funding Bureaus

Funds Awarded

CONTRACT, GRANT, LOAN, AND OTHER FINANCIAL ASSISTANCE AWARDS

TOP COUNTIES

1. Harris		$3,571,684,756
2. Dallas		$2,176,844,025
3. Bexar		$1,804,437,534
4. Tarrant		$1,786,549,087
5. Travis		$857,630,326

Text View and More Details on All Counties

TOP CONGRESSIONAL DISTRICTS

1. N/A	$33,985,952,428

5

Expected Benefits of the DATA Act

Effective implementation holds great promise for:

- Oversight and Accountability

- Transparency

- Management

- Streamlined Reporting

- Data Analytics
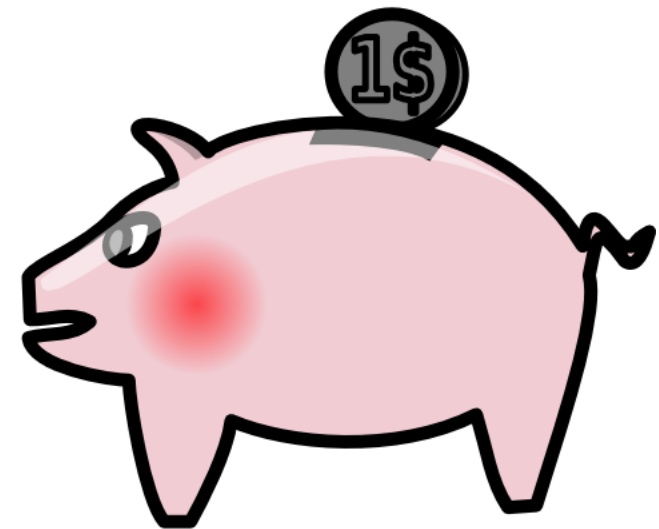
DATA Act – Purposes

- Expands reporting requirements to enable taxpayers and policy makers to track Federal spending more effectively

- Directs OMB and Treasury to work with agencies to create government-wide financial data standards

- Calls for simplified reporting and reduced costs for recipients of federal funds

- Improve data quality by holding agencies accountable for the completeness and accuracy of reported data

- Apply government-wide approaches for data analytics

DATA Act Expands Reporting on Financial and Non-Financial Information

Covers additional federal budget and financial information:
- ✓ Purchases of goods and services
- ✓ Personnel compensation
- ✓ Costs related to public-private partnerships

Requires more data on the federal spending lifecycle:
- ✓ Appropriations
- ✓ Outlays

Includes non-financial information:
- ✓ Place of performance
- ✓ Congressional district

Establishing Government-wide DATA Standards

To improve the usability, transparency and accountability of federal spending data, government-wide financial data standards shall:

- ✓ be established for all federal funds

- ✓ be used by **both** federal agencies and recipients for reporting spending

- ✓ include common data elements for financial and payment information

- ✓ be reported <u>monthly</u> (when practicable) but not less than <u>quarterly</u>

FEDERAL SPENDING TRANSPARENCY
DATA ACT COLLABORATION SPACE

DATA Act
BETTER DATA. BETTER DECISIONS.
BETTER GOVERNMENT.

Home   About   Data Model   User-Centered Design   Get Involved   DATA Act-ivity

The Latest

On December 31, 2015, version 0.7 of the DATA Act Information Model Schema (DAIMS) was released. It builds on version 0.6 by adding semantic and contextual metadata, attributes, and missing elements beyond what is required for agency submissions. Read about, download, and comment on this latest information model schema.

About Federal Spending Transparency

In May 2014, President Obama signed the Digital Accountability and Transparency Act of 2014 (DATA Act) (P.L. 113-101) into law. Once implemented, the DATA Act will make Federal spending data more accessible, searchable, and reliable. It will not only make it easier to understand how the Federal government spends taxpayer dollars but will also serve as a tool for better oversight, data-centric decision-making, and innovation both inside and outside of government. The U.S. Department of the Treasury and the Office of Management and Budget are leading the government-wide implementation of the DATA Act.

This collaboration space is designed to openly share our *process* for meeting the new data transparency requirements of the DATA Act. Our sister site — Open Beta — is where you will find the *results* of this work: data you can search, view, and download. Both sites invite you--the public and federal agencies--to join in decision-making along the way, so please come back often!

Get Involved

Visit the Get Involved page to find out how to comment or participate in different aspects of this project.

Requirements for Government-wide Data Standards

- Incorporate widely accepted, common data elements, in a nonproprietary, searchable, computer-readable format

- Include unique identifiers for federal awards and recipient entities

  - Be consistent with accounting principles

  - Be capable of being continually upgraded

  - Produce consistent and comparable data

- Establish a standard method for conveying the reporting period, reporting entity, unit of measurement, and other attributes

Simplifying Federal Award Reporting (Section 5 Pilot)

The DATA Act requires the establishment of a pilot program that will generate recommendations to standardize reporting elements, eliminate duplication and unnecessary reports, and reduce recipient compliance costs.

- Pilots lead by OMB and HHS (grants) and GSA (procurement)

- Activities:

  - Governance/recipient outreach

  - Analysis of standardized grants data elements

  - Technology partners becoming engaged
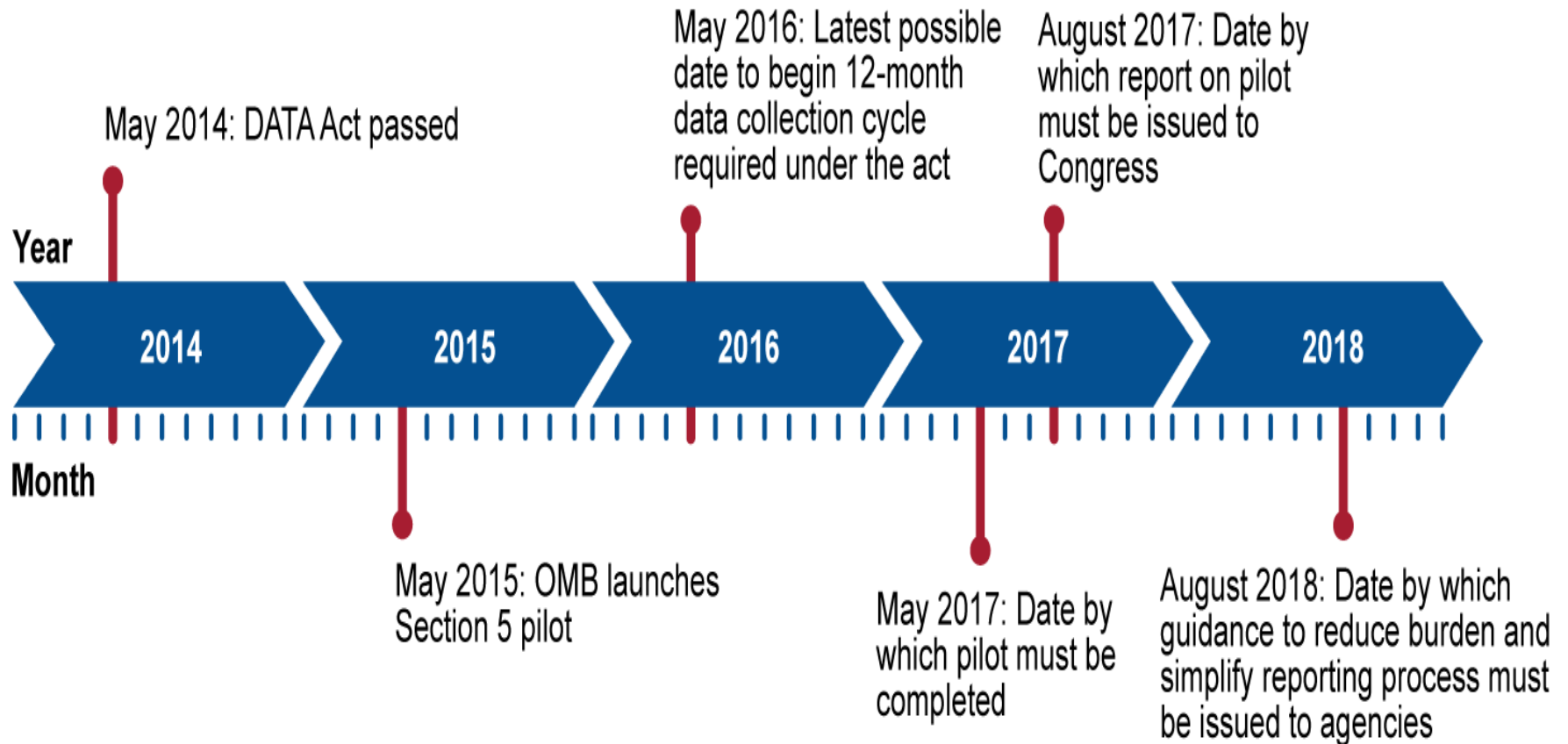
Source: GAO analysis of Pub. L. 113-101, 128 Stat. 1146. | GAO-16-438

Increasing Accountability for Data Quality

Requirements for Federal Inspectors General (IG):

- Review a statistically valid sample of agency spending data to assess data quality

- Consult with GAO on the development of audit plans and sampling methodology

Requirements for IGs and GAO:

- Report to Congress on data completeness, timeliness, quality, and accuracy of the data submitted and the implementation and use of data standards by Federal agencies

Key Dates for DATA Act Implementation

DATA Timeline
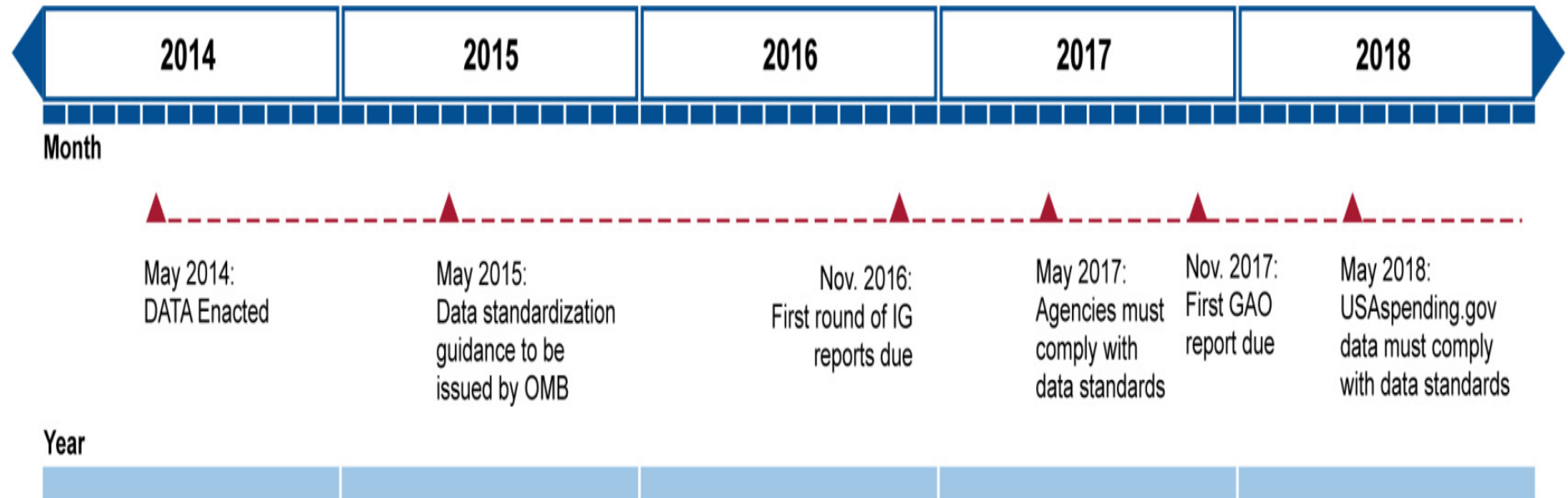
Source: GAO Analysis of Pub. L. 113-101, 128 Stat. 1146.   (GAO-15-241T)

Note: IGs and GAO are required to report two additional times—at two and four years after their respective initial reports. If the guidance is issued earlier than one year after passage, dates that follow would move up commensurately.

Applying a Government-wide Approach for Data Analytics

- Treasury may establish a data analysis center or expand an existing service to provide data, analytic tools, and data management techniques to support:

  - the prevention and reduction of improper payments by Federal agencies, and

  - improving efficiency and transparency in Federal spending.

Status of DATA Act Implementation

- OMB issued implementation guidance (M-15-12) in May 2015 and released 57 standardized data element definitions in August 2015

- In June 2015, Treasury issued an implementation "Playbook" and is developing a technical schema that describes the standard format for reporting data elements

- Federal agencies submitted implementation plans to OMB in September 2015 and began inventorying their data to assess required changes to their policies, business processes, or technology

GAO's Oversight Approach

Ongoing reporting as implementation progresses

Constructive engagement with OMB and Treasury to ensure challenges are addressed early

Interim progress reports to Congress to ensure effective implementation

GAO Reports and Testimonies Related to the DATA Act

GAO has reported on DATA Act implementation in various reports and testimonies:
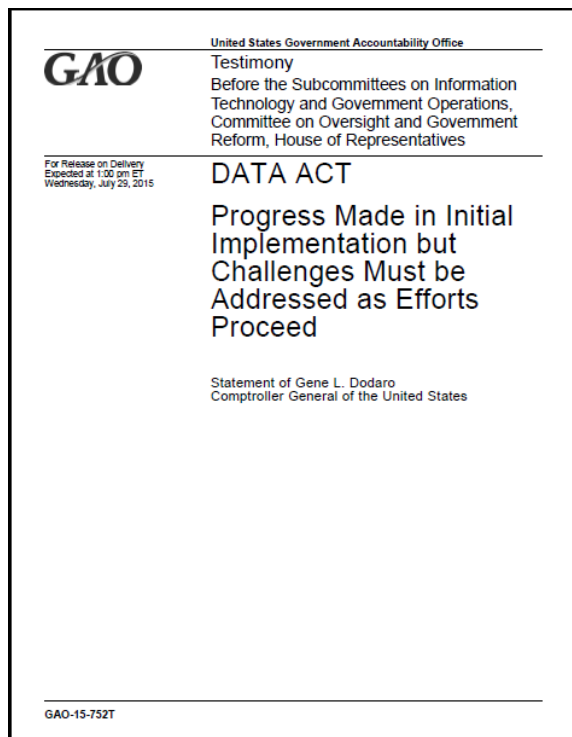
Reports:

- Sept. 2015 - Preserving capabilities of the Recovery Operations Center (GAO-15-814)

- Jan. 2016 - Establishment of data standards (GAO-16-261)

- Apr. 2016 - Design and implementation of Section 5 pilot project to reduce recipient burden (GAO-16-438)

Testimonies:

- December 2014 - Initial Report (GAO-15-241T)

- July 2015 - Implementation Update (GAO-15-752T)

- April 2016 - Implementation Update (GAO-16-556T)

GAO's Review of the Recovery Operations Center (ROC) (GAO-15-814)

In our September 2015 report, we identified a number of issues:

- Treasury does not plan to transfer the ROC assets

- Some large OIGs plan to develop their own analytical capabilities

- Some small and medium-sized OIGs don't have the resources to develop their own data analytics

We recommended that:

- Congress direct CIGIE to develop a proposal to reconstitute the essential capabilities of the ROC

- Treasury reconsider whether certain assets could be worth transferring to the Do Not Pay Center

GAO's Review of Data Standards Implementation (GAO-16-261)

In our January 2016 report, we identified a number of issues:

- Lack of clarity in data definitions, requiring additional context

- Data definitions open to different interpretations

- Release of technical guidance not timed with agency implementation timeframes

We recommended that OMB and Treasury:

- Provide agencies with clarifying guidance to address potential quality issues with data definitions

- Align the release of final technical guidance to agency implementation timeframes

GAO's Recent Review of the Section 5 Pilot (GAO-16-438)

In our April 2016 report, we identified a number of issues:

- The procurement pilot is at risk of not meeting DATA Act requirements

- The design of the procurement pilot is not consistent with leading practices for pilot projects
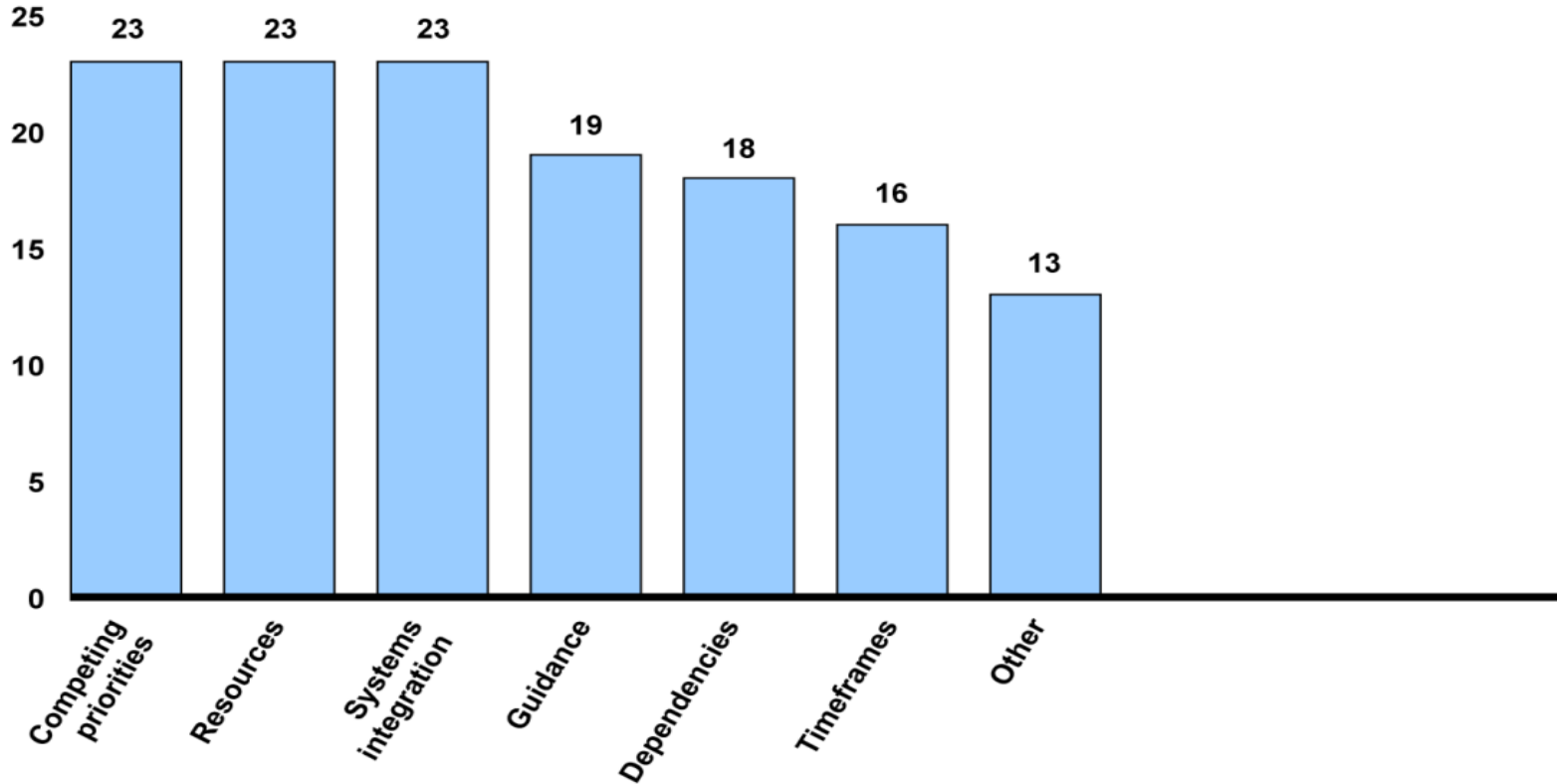
We recommended that OMB:

- Revise the design of the procurement pilot, including its project plan and associated time frames, to clearly document how it is contributing to the design requirements under the DATA Act

- Ensure that the design of the procurement pilot applies leading practices

GAO's Ongoing Review of Agency-Reported Implementation Challenges

Source: GAO analysis of agency implementation plans. | GAO-16-556T

Mitigating Strategies Most Commonly Reported by Agencies

- Communication and information sharing
  - Collaboration with other agencies
  - Best practices

- Monitoring and development of guidance
  - Wait for new guidance from OMB/Treasury
  - Develop guidance for internal use

- Leveraging existing resources
  - Multitasking

GAO's Ongoing Engagements and Activities

GAO is monitoring DATA Act implementation through several ongoing engagements and activities:

- Reviewing Federal agency implementation plans and assessing OMB/Treasury oversight processes

- Exploring efforts for establishing a Federal program inventory

- Commenting on proposed data standards and technical schema

- Coordinating with the Federal IG community

- Conducting a data analytics forum

Treasury IG Report Recommendations Related to the DATA Act

- *Treasury Is Making Progress in Implementing the DATA Act But Needs Stronger Project Management*; OIG-15-034, May 19, 2015

  - Strengthen project management by defining the project management methodology being used and ensuring that project management artifacts appropriate to those methodologies are adopted and maintained.

  - Ensure the individual charged with program management has the requisite qualifications, resources, and understanding of project management methodologies used.

- *DATA Act: USASpending.gov Refreshed, But Data Quality Issues Remain*; OIG-16-023, December 22, 2015

  - Develop a strategy to manage user expectations regarding the completeness and accuracy of existing data presented on the site to include posting a statement on the site about existing data quality concerns and plans for data quality improvement.

  - Continue to evaluate and address user concerns regarding the functionality of USASpending.gov.

  - Include requirements to develop and document internal and external user acceptance criteria and document user acceptance testing for all future DTO website development projects.

Q&A – Open Discussion

For additional questions or comments, please contact:

Michael LaForge
Assistant Director

laforgem@gao.gov
214-777-5673

On the Web

Web site: www.gao.gov/

Contact

Chuck Young, Managing Director, Public Affairs
YoungC1@gao.gov (202) 512-4800
U.S. Government Accountability Office
441 G Street NW, Room 7149
Washington, D.C. 20548

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