



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

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*Memorandum*

October 4, 2016

**TO:** Office of the Chairman (Vacant)

**FROM:** Martin J. Dickman      *Original Signed*  
Inspector General

**SUBJECT:** Digital Accountability and Transparency Act of 2014 Readiness  
Assessment for the Railroad Retirement Board

**Background**

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted to improve the effectiveness of the federal government's resources through increased transparency and use of federal spending data.<sup>1</sup> Specifically, it requires federal agencies to report financial and payment data in accordance with data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury. OMB guidance provides direction for agencies to follow regarding implementation of the DATA Act.<sup>2</sup>

The DATA Act also requires a series of oversight reports by the agency's Inspector General (IG) to include an assessment of the completeness, timeliness, quality, and accuracy of data submitted. The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act. The first IG reports on the DATA Act are due to the Congress in November 2016; however, federal agencies are not required to report spending data until May 2017. To address this anomaly, the Congress allowed IGs to provide the first required reports in November 2017, a 1-year delay from the statutory due date, with subsequent reports following on a 2-year cycle. IGs were encouraged to undertake DATA Act readiness reviews at their respective agencies well in advance of the first November 2017 report. On December 22, 2015, CIGIE's Chair issued a letter to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform memorializing this strategy.

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<sup>1</sup> Pub. L. No. 113-101 (May 9, 2014).

<sup>2</sup> Office of Management and Budget (OMB), *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, M-15-12 (Washington, D.C.: May 8, 2015).

Attachment 1 contains a copy of this letter. This report presents our assessment of the Railroad Retirement Board's (RRB) readiness for DATA Act implementation.

Within the RRB, the Bureau of Fiscal Operations (BFO) compiles and reports financial data through the agency's financial reporting system, Financial Management Integrated System (FMIS). CGI Federal Incorporated (CGI) serves as the RRB's shared service provider for FMIS, as well as the shared service provider for other federal agencies. CGI is currently developing a solution for the RRB and some of its other federal customers for DATA Act implementation. Currently, the Acting Chief Financial Officer (CFO) also serves as the Acting Senior Accountable Official (SAO) for the DATA Act.

## **Objective**

The objective of this review was to gain an understanding of the processes and systems that the RRB plans to use for DATA Act report requirements and its readiness for DATA Act implementation.

## **Scope**

The scope of this review included actions and steps taken by the RRB and CGI to prepare for DATA Act reporting that is scheduled to begin in May 2017.

## **Methodology**

To accomplish the objectives of the review, we utilized the DATA Act and readiness review guidance issued by the CIGIE Audit Committee's Federal Audit Executive Council.<sup>3</sup> In addition, we:

- obtained an understanding of the laws, directives, and regulations for DATA Act reporting;
- interviewed applicable agency staff; and
- reviewed and assessed agency documentation, correspondence, and activities related to DATA Act reporting.

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<sup>3</sup> Federal Audit Executive Council Data Act Working Group, *Data Act Readiness Review Guide*, Version 2.0 (Washington, D.C.: June 2, 2016).

## Results of Review

Our assessment is based on the actions taken by RRB to date and systems changes that are required but remain in progress. It is uncertain whether the RRB will be able to comply with DATA Act reporting requirements within the specified timeframe because of its heavy reliance on its contractor with limited oversight by RRB management. In addition, the RRB has not fully prepared or reviewed some required DATA Act implementation documentation. Based on these issues, we make four recommendations regarding actions the RRB should take to more effectively monitor DATA Act implementation.

RRB is relying heavily on its FMIS contractor, CGI. RRB reports that CGI is developing a solution for DATA Act implementation in RRB's FMIS that will allow the RRB to meet its DATA Act reporting requirements. Although there is evidence RRB management communicated with CGI, its DATA Act implementation oversight has been somewhat limited. For example, RRB is not effectively overseeing CGI's timeliness, change management process, risk mitigation strategies, and identifying and overseeing milestone completion. Due to this limitation and the fact that (1) CGI has not yet completed work on FMIS modifications to capture and house benefit award data and identifiers and (2) the internal RRB service request for the Bureau of Information Service to upload benefit payment data to FMIS has not been completed, we are uncertain if the RRB will be able to comply with DATA Act reporting requirements within the specified timeframe. Although CGI reports that the work that remains in progress is expected to be completed by January 2017, it is unknown if problems will be encountered even if these systems modifications are completed within the expected timeframe.

In addition, RRB did not prepare or obtain management review of some required documentation related to DATA Act implementation. For example, RRB did not perform a data inventory or review its business process for DATA Act reporting. Further, RRB management did not follow a formal risk assessment process and did not review any risk assessments identified by CGI. Because implementation plans with requirements as defined in DATA Act guidance were not prepared, there is risk RRB will not fully comply with DATA Act requirements.

RRB management oversight for DATA Act implementation did not include regular status meetings, predetermined milestones, and target due dates. This limited oversight may have contributed to a delay in recognizing the need for identifiers to associate award level (benefit payment) and financial data of approximately \$12.3 billion across agency award systems and financial systems as required by OMB guidance issued in May 2015.<sup>4</sup> The RRB did not identify this requirement until May 2016 after additional technical guidance was issued by OMB.<sup>5</sup> Further, the timeliness of the ongoing systems changes to meet DATA Act reporting requirements have been impacted because

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<sup>4</sup> OMB, M-15-12.

<sup>5</sup> OMB, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, MPM-2016-03 (Washington, D.C.: May 3, 2016).

(1) subject matter experts from all RRB bureaus impacted by the DATA Act were not included in its working group, (2) some significant subject matter experts did not become involved until after the May 2016 OMB guidance was issued, and (3) CGI and BFO did not have an understanding that award identifier requirements were applicable for the RRB.

As a result of these delays, systems modifications required to record data in the required format in RRB systems, obtaining the data from those systems to be recorded in FMIS, housing the data in FMIS, and transmitting it for DATA Act reporting are not expected to be fully completed until January 2017. These delays could result in the RRB not meeting DATA Act requirements by the required timeframe of May 2017.

## **Recommendations**

To more effectively monitor DATA Act implementation, BFO should:

1. develop milestones and target due dates for remaining DATA Act implementation workstreams, including the oversight of CGI;
2. hold regular status meetings until DATA Act reporting requirements have been met and been accepted by OMB without errors;
3. form a formal DATA Act work group that includes appropriate agency management from all impacted RRB bureaus; and
4. expedite system changes and testing to ensure that system limitations are identified and resolved in advance of planned production that is currently scheduled to begin in January 2017.

## **Management's Response and Our Comments**

The Bureau of Fiscal Operations partially concurred with all four recommendations. For recommendation number 1, the Bureau of Fiscal Operations stated that RRB staff will work with CGI staff to identify the remaining milestones and target due dates for remaining DATA Act implementation workstreams. In regard to recommendation number 2, the Bureau of Fiscal Operations stated that they plan to have another formal meeting with CGI staff to review the plan for incorporating the remaining data in FMIS prior to upgrading FMIS with the DATA Act solution. For recommendation number 3, the Bureau of Fiscal Operations stated that they have identified agency stakeholders from the Bureaus of Fiscal Operations, Actuary, and Information Systems for the purpose of reviewing and monitoring CGI's DATA Act Implementation Plan, overseeing requirements, and providing program benefit data elements required for award financial detail. For recommendation number 4, the Bureau of Fiscal Operations stated that they will ask the Bureau of Information Services and Bureau of the Actuary to expedite the

changes required and will monitor their progress. See Attachment 2 for the full text of management's response.

While the Bureau of Fiscal Operations responds with partial concurrences, their responses do not fully address the intent of our recommendations. For example their response for (1) recommendation number 1 does not adequately address the required oversight of CGI, (2) recommendation number 2 only discusses one formal meeting with CGI staff rather than a series of meetings that should be held until DATA Act reporting requirements have been met and accepted by OMB, (3) recommendation number 3 provides a list of RRB bureaus that have been involved with some DATA Act discussions, but the listing of impacted bureaus is incomplete and does not provide evidence that a formal work group was ever formed, and (4) recommendation number 4 discusses their plans to expedite the internal service request for changes to RRB systems, but it does not directly address the need to expedite systems changes and testing required to be made by CGI. By providing partial concurrences and incomplete corrective actions to address our recommendations, we reiterate our uncertainty as to whether the RRB will be able to comply with DATA Act reporting requirements within the specified timeframe.

#### Attachments

cc: Walter A. Barrows, Labor Member  
Steven J. Anthony, Management Member  
Lawrence Haskin, Acting Chief Financial Officer  
Daniel J. Fadden, Senior Executive Officer  
Karl T. Blank, General Counsel  
Jeffrey Baer, Director of Audit Affairs and Compliance  
Martha P. Rico, Secretary to the Board



*Council of the*  
**INSPECTORS GENERAL**  
*on INTEGRITY and EFFICIENCY*

December 22, 2015

The Honorable Ron Johnson  
Chairman  
The Honorable Thomas Carper  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, D.C.

The Honorable Jason Chaffetz  
Chairman  
The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
U.S. House of Representatives  
Washington, D.C.

Dear Mr. Chairmen and Ranking Members:

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognizes and appreciates your leadership on issues of Government transparency and accountability. In particular, we believe the enactment last year of the Digital Accountability and Transparency Act of 2014 (DATA Act) will significantly improve the quality of Federal spending data available to Congress, the public, and the accountability community if properly implemented. To make sure this happens, the DATA Act provides for strong oversight by way of the Federal Inspectors General and the Government Accountability Office (GAO). In particular, the DATA Act requires a series of reports from each to include, among other things, an assessment of the completeness, timeliness, quality, and accuracy of data submitted by agencies under the DATA Act.

I am writing this letter on behalf of CIGIE to inform you of an important timing anomaly with the oversight requirement for Inspectors General in the DATA Act. Your staffs have been briefed on this timing anomaly, which affects the first Inspector General reports required by the DATA Act. Specifically, the first Inspector General reports are due to Congress in November 2016. However, the agencies we oversee are not required to submit spending data in compliance with the DATA Act until May 2017. As a result, Inspectors General would be unable to report on the spending data submitted under the Act, as this data will not exist until the following year. This anomaly would cause the body of reports submitted by the Inspectors General in November 2016 to be of minimal use to the public, the Congress, the Executive Branch, and others.

To address this reporting date anomaly, the Inspectors General plan to provide Congress with their first required reports in November 2017, a one-year delay from the due date in statute, with subsequent reports following on a two-year cycle, in November 2019 and November 2021. We believe that moving the due dates back one year will enable the Inspectors General to meet the

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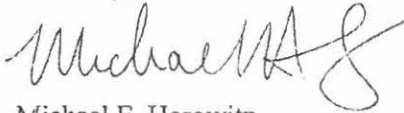
intent of the oversight provisions in the DATA Act and provide useful reports for the public, the Congress, the Executive Branch, and others.

Although we think the best course of action is to delay the Inspector General reports, CIGIE is encouraging the Federal Inspector General Community to undertake DATA Act “readiness reviews” at their respective agencies well in advance of the first November 2017 report. Through a working group, CIGIE has developed guidance for these reviews. I am pleased to report that several Inspectors General have already begun reviews at their respective agencies, and many Inspectors General are planning to begin reviews in the near future. We believe that these reviews, which are in addition to the specific oversight requirements of the Act, will assist all parties in helping to ensure the success of the DATA Act implementation.

We have kept GAO officials informed about our plan to delay the first Inspector General reports for one year, which they are comfortable with, and our ongoing efforts to help ensure early engagement through Inspector General readiness reviews.

Should you or your staffs have any questions about our approach or other aspects of our collective DATA Act oversight activities, please do not hesitate to contact me at (202) 514-3435.

Sincerely,



Michael E. Horowitz  
Chair, Council of the Inspectors General on Integrity and Efficiency  
Inspector General, U.S. Department of Justice

cc: The Honorable David Mader, Controller, OMB  
The Honorable Gene Dodaro, Comptroller General, GAO



UNITED STATES GOVERNMENT  
**MEMORANDUM**

FORM 6-1167 (1-82)  
RAILROAD RETIREMENT BOARD

September 22, 2016

**TO** : Heather J. Dunahoo  
Assistant Inspector General for Audit

**FROM** : Lawrence Haskin  
Acting Chief Financial Officer

A handwritten signature in black ink, appearing to be "L. Haskin", written over a horizontal line.

**SUBJECT:** Briefing Paper - Digital Accountability and Transparency Act of 2014  
Readiness Assessment for the Railroad Retirement Board

This is in response to above briefing paper. Following are my comments on the recommendations addressed to the Bureau of Fiscal Operations.

To more effectively monitor DATA Act implementation, BFO should:

1. Develop milestones and target due dates for remaining DATA Act implementation work streams, including the oversight of CGI;

*We partially concur. RRB staff will work with CGI staff to identify the remaining milestones and target due dates for remaining DATA Act implementation work streams including:*

- a. requests to BIS to get the award financial detail related to program benefits added to the FAADS PLUS extract files for inclusion in File C,
- b. testing the required files with the Data ACT broker and,
- c. testing the CGI Momentum Data Act Solution within FMIS after the back patching of the software.
- d. requesting CGI to keep RRB informed of the progress of its product development group on the status of its Data Act product solution for the Data Act.



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2. Hold regular status meetings until DATA Act reporting requirements have been met and been accepted by OMB without errors;

*We partially concur. We have scheduled teleconferences and meetings between RRB and CGI staff prior to and since the successful implementation and submission of RRB's Object Class/Program Activity report pursuant to OMB Budget Data Request (BDR) 16-02. Following the changes to the FAADS Plus file, we plan to have another formal meeting with CGI staff to review the plan for incorporating the remaining award financial detail data elements into FMIS prior to upgrading the FMIS software with Data Act solution product and also plan to submit the required files to the brokers test site for compliance testing.*

3. Form a formal DATA Act work group that includes appropriate agency management from all impacted RRB bureaus;

*We partially concur. We have identified agency stakeholders from the Bureaus of Fiscal Operations, Actuary and Information Systems for purposes of reviewing and monitoring CGI's Data Act Implementation plan, overseeing requirements and providing program benefit data elements required for award financial detail. The working group has had formal meetings with CGI staff and directly communicates with that staff on all Data Act matters.*

4. Expedite system changes and testing to ensure that system limitations are identified and resolved in advance of planned production that is currently scheduled to begin in January 2017.

*We partially concur. We will use the milestones and target due dates to monitor the progress of the deployment of CGI's Data Act solution and the required testing of files with the broker. We will also ask the Bureau of Information Systems and Actuary to expedite the changes to the FAADS PLUS extract files required for File C and monitor their progress.*