REPORT OF INDEPENDENT AUDITORS ON HHS' COMPLIANCE WITH THE DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT OF 2014 (DATA ACT)

U.S. Department of Health and Human Services
First Quarter Ended December 31, 2021

Ernst & Young LLP

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U.S. Department of Health and Human Services

Report of Independent Auditors on HHS' Compliance With the
Digital Accountability and Transparency Act of 2014 (DATA Act)

First Quarter Ended December 31, 2021

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Report of Independent Auditors on HHS' Compliance With the Digital Accountability and Transparency Act of 2014 (DATA Act)

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The Secretary and the Inspector General
U.S. Department of Health and Human Services

We have conducted a performance audit of the U.S. Department of Health and Human Services' (HHS) compliance with the Digital Accountability and Transparency Act of 2014 (the DATA Act, P.L. No. 113-101) for the first quarter of fiscal year (FY) 2022. The DATA Act requires that federal agencies report financial and award data in accordance with data standards established by the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB).

We conducted this performance audit in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States. 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. The nature, timing, and extent of the procedures selected depend on our judgment and are in accordance with the related Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) DATA Act Working Groups' *Inspectors General Guide to Compliance Under the DATA Act*, as amended (CIGIE guide). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To assess HHS' compliance with the DATA Act, we performed specific procedures to address the objectives summarized in the FY 2022 Statement of Work (BPA No: HHSP233201700040B). The specific scope and methodology are summarized in Section II of this report.

This report addresses the extent to which HHS has identified and implemented internal controls to comply with the DATA Act. Because of their nature and inherent limitations, the internal controls may not prevent, or detect and correct, all deficiencies that may be considered relevant to the audit objectives. Furthermore, the projection of any evaluations of effectiveness to future periods, or conclusions about the suitability of the design of internal controls to achieve the related audit objectives, is subject to the risk that internal controls may become inadequate because of changes in conditions or that the degree of compliance with such internal controls may deteriorate.

In planning and conducting the performance audit, we considered HHS' internal controls that are appropriate in the circumstances for achieving completeness, timeliness, quality, and accuracy of the FY 2022 financial and award data submitted for publication on USAspending.gov and the implementation and use of the Government-wide financial data standards established by OMB and Treasury. However, this performance audit did not constitute an audit of internal control over financial reporting in accordance with auditing standards generally accepted in the United States

of America. Accordingly, we do not express an opinion on the effectiveness of HHS' internal control over financial reporting.

This performance audit did not constitute an audit of financial statements in accordance with auditing standards generally accepted in the United States of America or *Government Auditing Standards*.

HHS met the requirements of the DATA Act. Our audit results are documented in Section III of this report.

This report is intended solely for the information and use of HHS and the HHS Office of Inspector General (OIG), OMB, Congress, and the U.S. Government Accountability Office (GAO) and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

October 7, 2022

U.S. Department of Health and Human Services

Report in Brief

Why Did We Audit?

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires each agency's Inspector General to perform a biennial performance audit of the agency's compliance with the DATA Act reporting requirements, as stipulated by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury) guidance. The Office of the Inspector General (OIG) engaged EY to conduct an independent performance audit to determine whether Health and Human Services (HHS) was in compliance with reporting requirements of the DATA Act for the first quarter of fiscal year (FY) 2022. The performance audit assessed the completeness, quality, accuracy, and timeliness of the data transmitted through the HHS submission and whether HHS implemented and used the Government-wide financial data standards.

What Was HHS Required to Do?

The DATA Act requires federal agencies to implement the Government-wide financial data standards and to report financial and award data to Treasury on a quarterly basis in accordance with the Government-wide financial data standards established by OMB and Treasury. Once submitted, the data is displayed on www.USAspending.gov for taxpayers and policymakers.

What We Found

Our performance audit determined that HHS implemented and used Government-wide financial data standards and complied with the reporting requirements of the DATA Act as stipulated by OMB and Treasury. HHS' overall data quality earned a rating of excellent based on the areas we tested, indicating that HHS' data was generally reliable.

We did not note any significant issues related to completeness, accuracy, or timeliness. However, we did find discrepancies between File D1/D2 and the supporting documents for 33 Periods of Performance Start Date (Data Element 26), 18 Award Types (Data Element 16), and 12 Business Types (Data Element 37). In each of those exceptions, the information in Files D1/D2 did not agree with the supporting documentation provided. Furthermore, we noted 25 exceptions for Award Description (Data Element 22) that did not describe the award for the general public as required by the CIGIE guidance and for which the GAO has identified as an area of improvement for federal agencies in GAO 20-75 and GAO-22-104702. See Appendix III for all exceptions by data element.

What We Recommend

We recommend that HHS refresh the Operating Division's (OpDiv) understanding of the Departmental guidance and identify those areas where OpDiv training would be developed to prevent and detect future accuracy issues related to the performance dates, award types and award descriptions.

We continue to recommend that management address certain control deficiencies identified within HHS' information technology systems that house the source data utilized as part of the reporting of the DATA Act.

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Section I: Background

HHS Background

HHS is a cabinet-level department of the U.S. federal government, with the mission of protecting the health of all Americans and providing essential human service. It is composed of 11 different Operating Divisions, including the Centers for Medicare & Medicaid Services, National Institutes of Health and Administration for Children and Families, among others.

HHS is one of the largest federal departments, the nation's largest health insurer, and the largest grant-making agency in the United States federal government. HHS enhances and protects the health and well-being of all Americans and provides world leadership in biomedical and public health sciences. HHS fulfills that mission by providing for effective health and human services and fostering advances in medicine, public health, and social services. HHS manages this broad range of activities in collaboration with its state, local, tribal, and non-governmental partners.

DATA Act Background

The DATA Act was enacted by Congress on May 9, 2014. A key step in implementing the DATA Act was the development of Government-wide standards to ensure the reporting of reliable and consistent federal spending data for public use. The DATA Act requires federal agencies to report financial and award data in accordance with the Government-wide financial data standards established by the OMB and Treasury. In May 2015, the OMB and Treasury published 57 data elements that federal agencies are required to report.

In April 2020, OMB issued M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019* (COVID-19), which made changes to DATA Act reporting. All agencies that received COVID-19 supplemental funding must submit DATA Act Files A, B and C on a monthly basis. Furthermore, the monthly submissions must include a running total of outlays for each award in File C funded with COVID-19 supplemental relief funds. Treasury added two additional data elements for COVID-19 relief funds to promote the full and transparent spending, bringing the total number of data elements to 59.

As a core requirement of the DATA Act, OMB and Treasury implemented the DATA Act Information Model Schema (DAIMS), which provides an authoritative source for the data elements used to illustrate how federal dollars are spent. There are 59 data elements, including the award identification number, primary place of performance address and funding agency name. DAIMS provides guidance for federal agencies on what data to report to Treasury, where to get the data and how to submit the data. Agencies use a web-based application called the DATA Act Broker to upload, validate, and certify data.

Under the DATA Act, federal agencies are required to submit a series of files, including procurement and direct assistance activity, to include all required data elements through a single Treasury system. In addition to the federal agencies' financial systems, there are four Government-

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Section I: Background (continued)

wide systems from which the DATA Act Broker extracts information reported by agencies to produce Files D1, D2, E and F. These systems include: (1) the Federal Procurement Data System-Next Generation (FPDS-NG); (2) the System for Award Management (SAM); (3) the Financial Assistance Broker Submission (FABS); and (4) the Federal Funding Accountability and Transparency Act of 2006 (FFATA) Subaward Reporting System (FSRS).

The table below provides information on the files containing the financial and award information that will be submitted to the Treasury Broker or pulled from Government-wide intermediary systems. It also shows all of the file submissions associated with the DATA Act process, as well as the content of each file and a brief description and source.

Submission Data by File			
File Name	**File Contents**	**File Description**	**Source**
File A	Appropriation account	Reporting at the Treasury Account Symbol (TAS) level, including Budget Authority Appropriated, Unobligated Balance and Other Budgetary Resources. Data requirements are similar to what is reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) and published in the SF-133.	Submitted to Broker by Federal Agency **Primary Sources:** Unified Financial Management System (UFMS), National Institutes of Health (NIH) Business System (NBS), and Healthcare Integrated General Ledger Accounting System (HIGLAS)
File B	Program activity and object class	Reporting of Obligations and Outlays at the TAS, Program Activity and Object Class levels. Data requirements are similar to the Object Class and Program Activity reporting required in the 2015 release of OMB Circular A-11.	Submitted to Broker by Federal Agency **Primary Sources:** UFMS, NBS, and HIGLAS
File C	Award-level financial	Reporting of Obligations at the Award ID level, including TAS, Program Activity and Object Class. Data requirements do not align with any current Government-wide financial reporting.	Submitted to Broker by Federal Agency **Primary Sources:** UFMS, NBS, and HIGLAS/Financial Business Intelligence System (FBIS)

Section I: Background (continued)

Submission Data by File			
File Name	**File Contents**	**File Description**	**Source**
File D_1	Award and awardee attributes (procurement)	Reporting of procurement award actions and their associated data, which is an expansion of existing FFATA reporting requirements	Pulled by Treasury from the Data Broker by action date, following submission via intermediary system Federal Procurement Data System (FPDS-NG)
File D_2	Award and awardee attributes (financial assistance)	Reporting of financial assistance award actions and their associated data, which is an expansion of existing FFATA reporting requirements	Pulled by Treasury from the Data Broker by action date, following submission via FABS
File E	Additional awardee attributes	Reporting of detailed highly compensated officer information from award-level transactions from Files D_1 and D_2	Extracted by DATA Act Broker from the SAM on a quarterly basis
File F	Sub-award attributes	Reporting of sub-award information for award-level transactions from Files D_1 and D_2	Extracted by DATA Act Broker from the FSRS on a quarterly basis

Requirements under the DATA Act

The DATA Act requires that agency OIGs review a statistically valid sample of the spending data and a non-statistical sample from the COVID-19 outlay records submitted by the agency and report on the timeliness, accuracy, completeness and quality of the data sampled and the implementation and use of the data standards by the agency. The DATA Act further describes how each aspect will be measured, as follows:

- Timeliness is measured by determining whether the submission by the Agency to the DATA Act Broker is in accordance with the reporting schedule established by the Treasury DATA Act Program Management Office (PMO), traditionally within 45 days of quarter-end. Agencies with COVID-19 funds are required to submit data monthly and attest that they meet reporting requirements under the DATA Act and OMB M-20-21. The submission is due within 30 days of month end.

- Completeness is measured by determining that all transactions and events that should have been recorded are recorded in the proper reporting period.

- Accuracy is measured as the percentage of amounts and other data relating to the recorded transaction have been recorded in accordance with the DAIMS, Reporting Submission

Section I: Background (continued)

Specification (RSS), Interface Definition Document (IDD) and the online data dictionary, and agrees with the authoritative source records.

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Section II: Performance Audit Objective, Scope and Methodology

Performance Audit Objective

HHS' OIG engaged EY to assist in its evaluation of the first quarter for FY 2022 DATA Act submission to determine whether HHS' use of the 59 data standards complies with the DATA Act requirements, as well as to assess the timeliness, accuracy, completeness, and quality of the data submitted.

We conducted a performance audit to determine HHS' compliance with the DATA Act as of the first quarter for FY 2022, in accordance with the related Council of the Inspectors General on Integrity and Efficiency (CIGIE) Federal Audit Executive Council (FAEC) DATA Act Working Groups' *Inspectors General Guide to Compliance Under the DATA Act*, as amended (CIGIE guide).

Our objective was to assess the:

- Completeness, accuracy, timeliness, and quality of financial and award data submitted for publication on USAspending.gov and;

- HHS' implementation and use of the Government-wide financial data standards established by OMB and Treasury.

Scope

We reviewed HHS' financial award and award data for the first quarter of FY 2022. HHS incurred $412.4 billion of obligations for the first quarter of FY 2022. We performed our review of the initial submission of HHS' data and assessed the agency's corrective actions, including the corrections made to the files after the initial submission.

The Federal Government's response to the COVID-19 pandemic included an economic relief package and new reporting requirements for agencies that received COVID-19 funds; therefore, we also reviewed the HHS' COVID outlays for the first quarter of FY 2022 which amounted to $30.83 billion.

As of April 2022, the government no longer used Data Universal Numbering System (DUNS) and instead switched to its own unique identifier that award recipients and grantees must use to receive federal funds. The CIGIE guidance, which was published in December 2020 prior to the change, required auditors to test the DUNS for the awardee (DE2), as well as the DUNS and name of the ultimate parent (DE3 and 4). The CIGIE guidance and D1/D2 crosswalks were not updated to reflect the change, as it is an off-year DATA Act audit that only HHS is participating in. As such, based on discussions with the Inspector General's office, the scope of the test does not include data elements 2, 3 and 4. The data elements were marked as "Not Applicable", because the CIGIE guidance has not been updated since the use of DUNS was discontinued.

Section II: Performance Audit Objective, Scope and Methodology (continued)

Methodology

In consultation with the Government Accountability Office (GAO), CIGIE developed and issued the *Inspectors General Guide to Compliance Under the DATA Act*, dated December 4, 2020, to set a common methodology and reporting approach in performing the mandated DATA Act work for the IG community. We adhered to the overall methodology, objectives, and audit procedures as outlined in the CIGIE guide, including Appendices, in our audit.

To accomplish our objectives, we:

- Obtained an understanding of any regulatory criteria related to HHS' responsibilities to report financial and award data under the DATA Act;

- Assessed the internal and information systems controls in place as they relate to the extraction of data from source systems and the reporting of data to Treasury's DATA Act Broker;

- Reviewed and reconciled the FY 2022 first quarter summary-level data submitted by HHS for publication on USAspending.gov;

- Reviewed a statistically valid sample from the FY 2022 first quarter financial and award data submitted by HHS for publication on USAspending.gov;

- Reviewed a non-statistical sample from the outlay records for the first quarter of FY 2022 financial and award data submitted by HHS for publication on USAspending.gov;

- Assessed the timeliness, accuracy, completeness, and quality of the financial and award data sampled; and

- Assessed HHS' implementation and use of the 59 data definition standards established by OMB and Treasury.

Statistical Sampling

As required by the DATA Act, we selected a statistically valid sample of HHS' spending data. We followed the guidance established in the *Inspectors General Guide to Compliance Under the DATA Act*. Sample parameters criteria included:

- Population size – the number of detail records included in the agency's quarterly certified data submission in File C

- Confidence level – the probability that a confidence interval produced by sample data was set at 95%

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Section II: Performance Audit Objective, Scope and Methodology (continued)

- Expected error rate – the estimated percentage of error rate in the population to be sampled based on the results of the October 8, 2021 report, and subsequent testing of DATA Act information; we used a 20% expected error rate as a sampling parameter

- Sample Precision – The precision is a measure of the uncertainty associated with the projection, set at 5%.

- Sample Size – The sample size is based on a 95% confidence level with the expected error rate, and a desired sampling precision of 5%.

- Sample Unit – The statistical sample was selected and tested by record in the data file within File C.

Our sample size consisted of 269 transactions from the combined population of 43,423 transactions. We applied the finite correction factor specified in the CIGIE guidance because of the small size of the transaction population. We selected our sample from File C, as we concluded that File C was complete and suitable for sampling.

Use of Computer Processed Data

We relied on computer processed data files A, B, C, D1, and D2, which we extracted from the DATA Act Broker. To assess the reliability of the data, we compared the computer-processed data across multiple internal and external sources, such as FPDS-NG, SAM, House.gov and the United States Postal Service. For example, we compared the data in the D1/D2 files to the source documents and external reports, where applicable. Based on the procedures we performed, we concluded that the computer-processed data we used for this audit was reliable, with the exceptions of the errors identified as part of our data element testing in Appendix III.

Assessment of Internal Controls

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. We assessed the control activities, control environment, risk assessment, information and communication and monitoring components. However, this performance audit did not constitute an audit of internal control over financial reporting in accordance with auditing standards generally accepted in the United States of America. Our review was limited to these internal control components and underlying principles, so it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

To achieve our audit objectives, we assessed whether internal and information system controls as they relate to the extraction of data from the source systems and the reporting of data to the DATA Act Broker have been properly designed and implemented, and are operating effectively, as follows:

Section II: Performance Audit Objective, Scope and Methodology (continued)

- We obtained an understanding of internal control through inquiries, observations and walkthroughs, inspection of documents and records, review of other auditors' work, or direct tests. We conducted walkthroughs of the GTAS, Cash Disbursements and Grants processes.

- Additionally, we assessed the design, implementation, and operating effectiveness of controls over the information technology systems used in the extraction of the data for reporting in the DATA Act Broker. As part of our procedures, we observed certain deficiencies within the systems that affect the overall information technology environment. We considered the impact that these deficiencies may have on the overall reliance of source data. While these deficiencies exist, we were able to identify sufficient compensating controls within the DATA Act process and concluded that HHS established and implemented manual procedures and other internal controls to support the completeness and accuracy of the DATA Act files. We continue to recommend that management address existing deficiencies identified within HHS information technology systems that house the source data utilized as part of the reporting of the DATA Act.

- We determined that HHS' data quality plan (DQP) was generally in accordance with OMB guidance (Memorandum M-18-16) issued on June 6, 2018 and, subsequently, Memorandum 20-21 on April 2020 which was issued to provide implementation guidance for supplemental funding in response to COVID-19. During this audit cycle, we determined the DQP was considered for the Senior Accountable Official's (SAO) certification.

- We reviewed HHS' Enterprise Risk Management (ERM) risk profiles for FY 2022 and determined that the risks identified were unlikely to affect this audit.

- We evaluated the design, implementation, and operating effectiveness of the processes, systems, and controls that HHS has in place to extract financial and award data reported under the DATA Act for publication on USAspending.gov. We assessed the effectiveness of HHS' internal controls to ensure completeness, accuracy, timeliness, and quality of data submitted and whether the government-wide financial data standards and requirements established by Treasury and OMB were followed by HHS. In performing our assessment, we obtained the SAO's certification, reviewed the HHS DATA Act submission procedures manual, tested HHS' reconciliations and validations, and tested linkages among the files.

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Section III: Audit Results

Summary

We found that HHS generally complied with the requirements for completeness, timeliness, quality, and accuracy of the data, and implementation and use of the Government-wide financial data standards established by OMB and Treasury. Overall, we rated HHS data to be of excellent quality, based on the established standards.

Appendix III provides audit results by data element, Appendix IV presents comparative results of the current and prior DATA Act audits for accuracy error rates by data element, Appendix V shows the accuracy of dollar-value related data elements, and Appendix VI details errors in data elements not attributable to the agency.

Overall Determination of Quality

Quality of data is defined as data that is complete, accurate, and timely, and includes statistical and non-statistical testing results. The assessment of overall quality of data is not a projected measurement, but is derived using a combination of the results of the statistical sample with the results on the nonstatistical testing following methodology developed by CIGIE for DATA Act audits. Based on the results of our testing for HHS' FY 2022 first quarter, HHS scored 98.79 points, which is a quality rating of excellent. See Figure 1 below for quality levels.

Figure 1. Quality Levels

Range	Level
0-69.999	Lower
70-84.999	Moderate
85-94.999	Higher
95-100	Excellent

Source: CIGIE FAEC *Inspectors General Guide to Compliance under the DATA Act*, December 4, 2020 (page 28)

Statistical Results

Data Element Analysis

We performed the data element analysis in Appendix III that shows the calculated errors for the accuracy, completeness, and timeliness of each data element. As a result of our testing, we identified a finding related to the period of performance data elements that were not included as a risk in HHS' DQP. We discussed this in the findings and recommendations section.

Completeness – Projected Error Rate

The projected error rate for the completeness of the data elements is 0.67%. A data element was considered complete if the required data element that should have been reported was reported. Based on a 95% confidence level, the projected error rate for the completeness of the data elements is between 0.00% and 1.60%.

Timeliness – Projected Error Rate

The projected error rate for the timeliness of the data elements is 2.89%. The timeliness of data elements was based on the reporting schedules defined by the financial, procurement, and financial assistance requirements (FFATA, Federal Acquisition Regulation (FAR), FPDS-NG, FABS, and DAIMS). Based on a 95% confidence level, the projected error rate for the timeliness of the data elements is between 1.03% and 4.75%.

Accuracy – Projected Error Rate

The projected error rate for the accuracy of the data elements is 2.09%. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with the DAIMS Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary, and agrees with the originating award documentation/contract file. Based on a 95% confidence level, the projected error rate for the accuracy of the data elements is between 1.15% and 3.03%.

Non-Statistical Results

Implementation and Use of the Data Standards

We evaluated HHS' implementation of the Government-wide financial data standards for award and spending information and determined HHS is using the standards as defined by OMB and Treasury.

HHS linked by common identifiers (e.g., Procurement Instrument Identifier (PIID), Financial Award Identification Number (FAIN)) all of the data elements in the agency's procurement, financial, and financial assistance systems, as applicable. For the Treasury's DATA Act Broker files tested, we generally found that the required elements were present in the file and that the recorded values were presented in accordance with the standards.

Completeness of the Agency DATA Act Submission

We evaluated HHS' DATA Act submission to Treasury's DATA Act Broker and determined that the submission was complete. To be considered a complete submission, we evaluated Files A, B,

and C to determine that all transactions and events that should have been recorded were recorded in the proper period.

Timeliness of the Agency DATA Act Submission

We evaluated HHS' FY 2022 first quarter DATA Act submission to Treasury's DATA Act Broker and determined that the submission was timely. To be considered timely, it had to be submitted and certified by the date provided in the FY 2022 DATA Act reporting schedule, established by the Treasury DATA Act Program Management Office.

Completeness of Summary-Level Data for Files A and B

We performed summary-level data reconciliations and linkages for Files A and B and did not identify any variances. The test results verified: (1) summary-level data from File A matched the agency's Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) SF-133; (2) the totals and Treasury Account Symbols (TAS) identified in File A matched File B; and (3) all object class codes from File B matched codes defined in Section 83 of OMB Circular No. A-11.

Results of Linkages from File C to Files B/D1/D2

We tested the linkages between File C to File B by TAS, object class, and program activity, the linkages between File C to File D1 by both the PIID and Parent Award ID, and the linkages between File C to File D2 by the FAIN. All of the TAS, object class, and program activity data elements from File C existed in File B. As such, we selected a total 269 PIID and FAIN obligation samples from File C. During our testing, we noted that the Parent Award IDs for two of the samples were not in Files D1/D2. One PIID and one FAIN were not submitted by the OpDiv, but should have been included in File D1/D2 as they were Q1 items. As a result, neither item was reported on USAspending.gov and the data elements for Completeness, Accuracy, and Timeliness were marked as exceptions, resulting in an increase in total errors shown in Appendix III and a reduction in the overall data quality score.

Analysis of the Accuracy of Dollar Value-Related Data Elements

Most dollar value-related data elements were reported accurately. However, for one of the 66 PIIDs, EY noted an absolute value difference of $208.77 for DE53 and $12,441 for DE13, DE14 and DE15 between the award document and File C. EY also noted that, for one of the 203 FAIN samples, an absolute value difference of $9,326.00 existed for DE11 and DE13. See Appendix V for additional information. The value of errors listed are from our sample and are not projectable in accordance with the CIGIE guidance.

Analysis of Errors in Data Elements Not Attributable to the Agency

Some data elements had errors not attributable to HHS; these errors were related to third-party systems. See Appendix VI for additional information.

File C COVID-19 Outlay Testing and Results

We selected a non-statistical sample of 25 records out of 563,633 File C outlay records from the third month of the first quarter of the FY 2022 DATA Act submission. Our testing included assessing the Parent Award ID number, PIID/FAIN, object class, appropriations account, obligation, program activity, outlay, and DEFC File C outlays data elements for completeness, accuracy, and timeliness. Based on our testing, we found that the File C outlays for our sample of 25 records were 100% complete, 100% accurate, and 100% timely. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

Conclusion

HHS' overall data quality earned a rating of excellent based on the areas we tested, indicating that HHS met the requirements of the DATA Act.

Findings and Recommendation

In addition to the matters discussed in the internal control section regarding the HHS IT environment and, based on the results of our testing as shown in Appendices III and IV, EY noted the following findings and recommendation:

- We found 33 accuracy exceptions for data element 26, the Period of Performance Start Date; 25 accuracy exceptions for data element 22, Award Description; 18 accuracy exceptions for data element 16, Award Type; and 12 accuracy exceptions for data element 37, Business Types. In these exceptions, the information in Files D1/D2 did not agree with the supporting documentation provided. For the 25 award descriptions accuracy exceptions, although this information was provided by the OpDiv, we did not believe that it explained the award to the public and summarized the award as recommended by the GAO in GAO 20-75.

We recommend that HHS refresh the OpDiv's understanding of the Departmental guidance and identify those areas where training, additional review procedures or system enhancements would be developed to prevent and detect future accuracy issues related to the Period of Performance Start Date, Award Types and Business Type. We also recommend that HHS takes steps to ensure that each award has a description that properly describes the purpose of the transaction or modification of the award on USAspending.gov. The aforementioned do not include findings and recommendations for errors that are not attributable to HHS as stipulated per the CIGIE guide.

U.S. Department of Health and Human Services

Appendix I: Management's Response

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Office of the Assistant Secretary for
Financial Resources
Washington, D.C. 20201

To: Amy J. Frontz, Deputy Inspector General for Audit Services

From: Sheila O. Conley   Mary S. Conley -S   Digitally signed by Mary S. Conley -S
        Date: 2022.10.05 12:18:12 -04'00'
        Deputy Assistant Secretary for Finance, and
          Deputy Chief Financial Officer

Subject: FY 2022 Digital Accountability and Transparency Act of 2014 (DATA Act)
         Performance Audit

Thank you for the opportunity to comment on the results of the Fiscal Year (FY) 2022
Independent Auditors' Report. We appreciate the professionalism and diligent work of the
Office of the Inspector General (OIG) and independent auditors, Ernst & Young (EY),
throughout the audit of the U.S. Department of Health and Human Services' (HHS) FY 2022
First Quarter DATA Act submission.

We are pleased with the audit results, particularly that HHS met the FY 2022 DATA Act
requirements and that HHS data was found to be of excellent quality based on the established
Federal standards. These results reflect the Department's continuous efforts to strengthen
financial accountability and transparency. We generally concur with the audit findings. HHS
will focus increased attention on issues noted in the audit report to identify root causes,
implement corrective actions, and monitor remediation efforts.

Overall, HHS has made significant progress enhancing our internal control environment,
improving data quality, and expanding financial transparency since the passage of the DATA
Act. We remain committed to achieving the underlying objectives of the DATA Act and
building on our success to continue providing high quality, transparent financial and award data
in the future.

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Appendix II: Acronyms

Acronym	Meaning
CFDA	Catalog of Federal Domestic Assistance
CIGIE	Council of the Inspectors General on Integrity and Efficiency
COVID-19	Coronavirus Disease 2019
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
ERA	Electronic Research Administration
ERM	Enterprise Risk Management
FABS	Financial Assistance Broker Submission
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FAR	Federal Acquisition Regulation
FBIS	Financial Business Intelligence System
FFATA	Federal Funding Accountability and Transparency Act of 2006
FPDS-NG	Federal Procurement Data System Next Generation
FSRS	FFATA Sub-award Reporting System
FY	Fiscal Year
GAO	Government Accountability Office
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
HCAS	HHS Consolidated Acquisition System
HIGLAS	Healthcare Integrated General Ledger Accounting System
HRSA	Health Resources and Services Administration
IDD	Interface Definition Document
ICE	Integrated Contract Expert
IG	Inspector General
IMPAC II	Information for Management, Planning, Analysis, and Coordination

U.S. Department of Health and Human Services

Appendix II: Acronyms (continued)

Acronym	Meaning
NBS	National Institutes of Health Business System
NIH	National Institutes of Health
OIG	Office of the Inspector General
OMB	Office of Management and Budget
HHS	Health and Human Services
PIID	Procurement Instrument Identifier
PMO	Program Management Office
RSS	Reporting Submission Specification
SAM	System for Award Management
SAO	Senior Accountable Official
TAGGS	Tracking Accountability in Government Grants System
TAS	Treasury Account Symbol
Treasury	U.S. Department of the Treasury
UFMS	Unified Financial Management System

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Appendix III: HHS' Results for Data Elements

The table below identifies the number of errors associated with each data element for accuracy, completeness, and timeliness.

DAIMS Element Number	Data Element Name	A Accuracy	C Completeness	T Timeliness
DE 26	Period of Performance Start Date	33	2	6
DE 22	Award Description	25	2	9
DE 6*	Legal Entity Congressional District	18	2	9
DE 16	Award Type	18	2	9
DE 31*	Primary Place of Performance Congressional District	18	2	9
DE 37	Business Types	12	1	8
DE 17	NAICS Code	8	1	1
DE 18	NAICS Description	8	1	1
DE 27	Period of Performance Current End Date	8	2	6
DE 25	Action Date	6	2	9
DE 30	Primary Place of Performance Address	6	2	9
DE 36	Action Type	6	2	9
DE 28	Period of Performance Potential End Date	5	1	1
DE 5*	Legal Entity Address	3	2	9
DE 42	Funding Office Name	3	2	9
DE 1	Awardee/Recipient Legal Entity Name	2	2	10
DE 7	Legal Entity Country Code	2	2	9
DE 8	Legal Entity Country Name	2	2	9
DE 13	Amount of Award	2	2	9
DE 19	CFDA Number	2	2	9
DE 20	CFDA Title	2	2	9

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Appendix III: HHS' Results for Data Elements (continued)

DAIMS Element Number	Data Element Name	A Accuracy	C Completeness	T Timeliness
DE 32	Primary Place of Performance Country Code	2	2	9
DE 33	Primary Place of Performance Country Name	2	2	9
DE 34	Award ID Number	2	2	9
DE 38	Funding Agency Name	2	2	9
DE 39	Funding Agency Code	2	2	9
DE 40	Funding Sub Tier Agency Name	2	2	9
DE 41	Funding Sub Tier Agency Code	2	2	9
DE 43	Funding Office Code	2	2	9
DE 44	Awarding Agency Name	2	2	9
DE 45	Awarding Agency Code	2	2	9
DE 46	Awarding Sub Tier Agency Name	2	2	9
DE 47	Awarding Sub Tier Agency Code	2	2	9
DE 48	Awarding Office Name	2	2	9
DE 49	Awarding Office Code	2	2	9
DE 24	Parent Award ID Number	3	1	1
DE 53	Obligation	1	1	1
DE 11	Federal Action Obligation	1	1	8
DE 14	Current Total Value of Award	1	1	1
DE 15	Potential Total Value of Award	1	1	1
DE 23	Award Modification/Amendment Number	1	1	5
DE 35	Record Type	1	1	8
DE 163	National Interest Action	1	1	1
DE 34	Award ID Number (PIID)	2	0	0

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Appendix III: HHS' Results for Data Elements (continued)

DAIMS Element Number	Data Element Name	A Accuracy	C Completeness	T Timeliness
DE 50	Object Class	0	0	0
DE 51	Appropriations Account	0	0	0
DE 56	Program Activity	0	0	0
DE 430	Disaster Emergency Fund Code	0	0	0
DE 12	Non-Federal Funding Amount	0	0	0
DE 29	Ordering Period End Date	0	0	0
DE 2**	Awardee/Recipient Unique Identifier	N/A	N/A	N/A
DE 3**	Ultimate Parent Unique Identifier	N/A	N/A	N/A
DE 4**	Ultimate Parent Legal Entity Name	N/A	N/A	N/A

*   Data elements 5, 6 and 31 are not attributable to the agency and, thus, have not been included in the findings/recommendations section of the report and are instead presented in Appendix VI.

**   EY did not test data elements 2, 3, and 4, because the government is no longer using DUNS and switched to its own unique identifier in early FY 2022. However, as this is an off-year audit, CIGIE did not provide updated guidance for testing.

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Appendix IV: HHS' Comparative Results for Data Elements

The table below identifies the error rate by data element from the FY 2022 and FY 2021 audit results. The information is being provided for illustrative purposes only and may not necessarily be indicative of actual percent change based on differences in testing procedures, such as population size, sample methodology, file tested, and changes to data definition standard.

HHS' Comparative Results for Data Elements, By Accuracy Error Rate in Descending Order

DAIMS Element Number	Data Element Name	2022 Error Rate	2021 Error Rate	% Change
26	Period of Performance Start Date	17.37%	11.35%	53.04%
17	NAICS Code	12.31%	6.49%	89.68%
18	NAICS Description	12.31%	5.19%	137.19%
22	Award Description	9.43%	0.00%	0.00%
28	Period of Performance Potential End Date	7.58%	6.58%	15.20%
6*	Legal Entity Congressional District	6.82%	20.85%	-67.29%
16	Award Type	6.82%	1.15%	493.04%
31*	Primary Place of Performance Congressional District	6.82%	2.31%	195.24%
37	Business Types	6.03%	3.78%	59.52%
24	Parent Award ID Number	4.65%	0.00%	0.00%
27	Period of Performance Current End Date	4.19%	5.41%	-22.55%
36	Action Type	3.39%	0.00%	0.00%
24	Parent Award ID Number	2.33%	0.00%	0.00%
30	Primary Place of Performance Address	2.27%	1.15%	97.39%
25	Action Date	2.26%	2.29%	-1.31%
14	Current Total Value of Award	1.52%	0.00%	0.00%
15	Potential Total Value of Award	1.52%	0.00%	0.00%
163	National Interest Action	1.52%	0.00%	0.00%

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Appendix IV: HHS' Comparative Results for Data Elements (continued)

DAIMS Element Number	Data Element Name	2022 Error Rate	2021 Error Rate	% Change
23	Award Modification/Amendment Number	1.28%	0.00%	0.00%
5*	Legal Entity Address	1.13%	1.50%	-24.67%
42	Funding Office Name	1.13%	0.00%	0.00%
19	Catalog of Federal Domestic Assistance Number	1.00	0.00%	0.00%
20	Catalog of Federal Domestic Assistance Title	1.00%	0.00%	0.00%
7	Legal Entity Country Code	0.76%	0.00%	0.00%
8	Legal Entity Country Name	0.76%	0.00%	0.00%
32	Primary Place of Performance Country Code	0.76%	0.00%	0.00%
33	Primary Place of Performance Country Name	0.76%	0.00%	0.00%
40	Funding Sub Tier Agency Name	0.76%	0.00%	0.00%
41	Funding Sub Tier Agency Code	0.76%	0.00%	0.00%
1	Awardee/Recipient Legal Entity Name	0.75%	0.38%	97.37%
13	Federal Action Obligation	0.75%	0.00%	0.00%
34	Award ID Number	0.75%	0.75%	0.00%
38	Funding Agency Name	0.75%	0.00%	0.00%
39	Funding Agency Code	0.75%	0.00%	0.00%
43	Funding Office Code	0.75%	0.00%	0.00%
44	Awarding Agency Name	0.75%	0.00%	0.00%
45	Awarding Agency Code	0.75%	0.00%	0.00%
46	Awarding Sub Tier Agency Name	0.75%	0.00%	0.00%
47	Awarding Sub Tier Agency Code	0.75%	0.00%	0.00%

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Appendix IV: HHS' Comparative Results for Data Elements (continued)

DAIMS Element Number	Data Element Name	2022 Error Rate	2021 Error Rate	% Change
48	Awarding Office Name	0.75%	0.00%	0.00%
49	Awarding Office Code	0.75%	0.00%	0.00%
11	Amount of Award	0.50%	0.00%	0.00%
35	Record Type	0.50%	0.00%	0.00%
53	Obligation	0.37%	0.37%	0.00%
50	Object Class	0.00%	0.00%	0.00%
51	Appropriations Account	0.00%	0.00%	0.00%
56	Program Activity	0.00%	0.00%	0.00%
430	Disaster Emergency Fund Code	0.00%	0.00%	0.00%
12	Non-Federal Funding Amount	0.00%	0.00%	0.00%
29	Ordering Period End Date	0.00%	0.00%	0.00%
2**	Awardee/Recipient Unique Identifier	N/A	1.09%	N/A
3**	Ultimate Parent Unique Identifier	N/A	2.82%	N/A
4**	Ultimate Parent Legal Entity Name	N/A	10.80%	N/A

*   Data elements 35, 6 and 31 are not attributable to the agency and, thus, have not been included in the findings/recommendations section of the report and are instead presented in Appendix VI.

**   EY did not test data elements 2, 3, and 4, because the government is no longer using DUNS and switched to its own unique identifier in early FY 2022. However, as this is an off-year audit, CIGIE did not provide updated guidance for testing.

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Appendix V: Accuracy of Dollar-Value Related Data Elements

PIID/ FAIN	Data Element Number	Data Element Name	Accurate	Not Accurate	Not Applicable	Total Tested	Error Rate	Absolute Value of Errors*
PIID	13	Federal Action Obligation	65	1	0	66	1.52%	$12,441.00
PIID	14	Current Total Value of Award	65	1	0	66	1.52%	$12,441.00
PIID	15	Potential Total Value of Award	65	1	0	66	1.52%	$12,441.00
PIID	53	Obligation	65	1	0	66	1.52%	$208.77
FAIN	11	Amount of Award	198	1	4	203	0.49%	$9,326.00
FAIN	12	Non-Federal Funding Amount	N/A	N/A	203	203	N/A	N/A
FAIN	13	Federal Action Obligation	198	1	4	203	0.49%	$9,326.00
FAIN	53	Obligation	203	0	0	203	0.00%	$0.00
		Total		**6**				**$56,183.77**

* The value of errors listed are from our sample and are not projectable.

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Appendix VI: Errors in Data Elements Not Attributable to the Agency

PIID/ FAIN	Data Element Number	Data Element Name	Error Attributed to
PIID and FAIN	5	Legal Entity Address	Information is held and updated in sam.gov, a third-party system. If sam.gov does not pass it to FPDS, it does not get updated.
PIID and FAIN	6	Legal Entity Congressional District	This is a derived field from the USPS database. HHS does not update or submit this.
PIID and FAIN	31	Primary Place of Performance Congressional District	This is a derived field from the USPS database. HHS does not update or submit this.

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