



*Office of Inspector General
Export-Import Bank
of the United States*

Independent Auditors’ Report on EXIM’s DATA Act Submission

November 8, 2019

OIG-AR-20-01

The Export-Import Bank of the United States (EXIM) is the official export credit agency of the United States. EXIM is an independent, self-financing executive agency and a wholly-owned U.S. government corporation. EXIM's mission is to support jobs in the United States by facilitating the export of U.S. goods and services. EXIM provides competitive export financing and ensures a level playing field for U.S. exports in the global marketplace.


The Office of Inspector General, an independent office within EXIM, was statutorily created in 2002 and organized in 2007. The mission of the EXIM Office of Inspector General is to conduct and supervise audits, investigations, inspections, and evaluations related to agency programs and operations; provide leadership and coordination as well as recommend policies that will promote economy, efficiency, and effectiveness in such programs and operations; and prevent and detect fraud, waste, abuse, and mismanagement.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Office of Inspector General

To: Michele Kuester
Senior Vice President, Innovation and Performance

From: Jennifer Fain
Acting Inspector General 

Subject: Independent Auditors' Report on EXIM's DATA Act Submission
(OIG-AR-20-01)

Date: November 8, 2019

Digitally signed by JENNIFER FAIN
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This memorandum transmits Cotton & Company LLP's (Cotton) performance audit report on EXIM's DATA Act submission. Under a contract monitored by this office, we engaged the independent public accounting firm of Cotton to perform the audit. The contract required the audit to be performed in accordance with generally accepted government auditing standards.

We appreciate the cooperation and courtesies provided to Cotton and this office during the audit. If you have questions, please contact me at (202) 565-3439 or jennifer.fain@exim.gov or Courtney Potter at (202) 565-3976 or courtney.potter@exim.gov. You can obtain additional information about the EXIM OIG and the Inspector General Act of 1978 at www.exim.gov/about/oig.



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November 8, 2019

Jennifer Fain
Acting Inspector General
Export-Import Bank
811 Vermont Avenue, NW
Washington, DC 20571

Subject: Independent Auditors' Report on EXIM's DATA Act Submission

Dear Ms. Fain:

Please find attached Cotton & Company's report on the results of our performance audit of the Export-Import Bank of the United States' (EXIM's or the Bank's) financial and award data reported as of the first quarter of fiscal year 2019, as required by the Digital Accountability and Transparency Act of 2014 (DATA Act).

Please give me a call if you have any questions.

Sincerely,

Cotton & Company LLP

Catherine L. Nocera, CPA, CISA
Partner

EXECUTIVE SUMMARY

Audit of EXIM's DATA Act Submission
OIG-AR-20-01, November 8, 2019

Why We Did This Audit

The Export-Import Bank of the United States (EXIM or the Bank) is subject to the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires federal agencies to report financial and award information consistent with guidance established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury). It also requires Inspectors General to review a statistically valid sample of the spending data and report on the completeness, timeliness, accuracy, and quality of the data, and the use of the government-wide data standards. EXIM's Office of Inspector General contracted with Cotton & Company to conduct EXIM's fiscal year (FY) 2019 DATA Act performance audit.

What We Recommend

We made 14 recommendations for EXIM to: (1) ensure it performs accurate and appropriately designed Files A, B, and C reconciliations; (2) implement a formalized reconciliation sign-off process; (3) require all journal vouchers to include object class and program activity codes; (4) ensure policies and procedures require accurate and complete object class and program activity codes in FMS-NG; (5) develop a corrective action plan to correct for missing object classes and program activity codes; (6 and 7) correct errors, identify risks, and modify policies and procedures to address risks associated with File D1 and D2 submissions, respectively; (8) perform more comprehensive File D1 and D2 data reviews; (9) implement a File D1 and D2 review process before SAO certification and a process for notifying the DATA Broker of errors; (10) ensure timely FABS file submissions; (11) ensure appropriate use of DATA Act Standards; (12) complete a data inventory; (13) regularly review and update the data inventory; (14) develop, test, and implement a Data Quality Plan (DQP).

What We Found

The objectives of this performance audit were to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data that EXIM submitted for publication on USASpending.gov, and (2) EXIM's implementation and use of the government-wide financial data standards established by OMB and Treasury, for the first quarter of FY 2019. We determined that the Bank's processes for implementing the DATA Act requirements have improved since the Bank's audit of the financial and award data submission as of the second quarter of FY 2017. However, these processes are still maturing, and the Bank continues to have opportunities to improve the overall quality of its quarterly financial and award data and to strengthen its internal control processes and procedures to ensure compliance with the DATA Act standards and requirements.

Specifically, we found that File A was not accurate because it included amounts for cancelled authority, File B contained one error, and EXIM did not perform any analysis between Files B and C that may assist EXIM in ensuring File C completeness. In addition, EXIM did not always report an appropriate object class and project activity code in File B.

EXIM submitted and certified its first-quarter FY 2019 DATA Act files by the submission due date.

Based on the results of our detailed tests of data elements for a statistically valid sample, we assessed the quality of EXIM's data to be of higher quality. The weighted projected error rates for accuracy and completeness are 6.66 percent and 2.87 percent, respectively. EXIM did not submit its Financial Assistance Broker Submission (FABS) data to the DATA Broker in a timely manner.

We determined that EXIM is not using three data standards as intended, because it reported insurance policy payment limits accounted for in accordance with the Federal Credit Reform Act as federal action obligations, did not report negative subsidy amounts in the original loan subsidy cost data element, and included insurance quotes for which a binding insurance policy was not in place in its File D2.

We also determined the EXIM does not have a complete data inventory to govern its DATA Act activities and had not implemented and tested its DQP as of the end of FY 2019.

We made 14 recommendations to improve EXIM's internal control activities to help ensure the quality of EXIM's financial and award data and EXIM's compliance with government-wide financial data standards.

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ABBREVIATIONS AND GLOSSARY

APS	Application Processing System
CFDA	Catalog of Federal Domestic Assistance
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CPE	Current Period Ending
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DQP	Data Quality Plan
DUNS	Dun & Bradstreet Number
EOL	EXIM Online
FAEC	Federal Audit Executive Council
FABS	Financial Assistance Broker Submission
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act of 2006
FYB	Fiscal Year Beginning
FMS-NG	Financial Management System – Next Generation
FPDS-NG	Federal Procurement Data System – Next Generation
FY	Fiscal Year
GAGAS	Generally Accepted Government Auditing Standards
GAO	U.S. Government Accountability Office
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
ICOR	Internal Control Over Reporting
IDD	Interface Definition Document
NAICS	North American Industrial Classification System
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
P.L.	Public Law
RSS	Reporting Submission Specifications
SAM	System for Award Management
SAO	Senior Accountable Official
SOP	Standard Operating Procedure

Treasury	U.S. Department of the Treasury
TAS	Treasury Account Symbol
U.S.C.	United States Code
Working Group	EXIM DATA Act Working Group

INTRODUCTION

This report presents the results of Cotton & Company LLP's (Cotton & Company's) performance audit of the Export-Import Bank of the United States' (EXIM's or the Bank's) Digital Accountability and Transparency Act of 2014 (DATA Act)¹ financial and award data submission as of the first quarter of fiscal year (FY) 2019. The objectives of this performance audit were to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data that EXIM submitted for publication on USASpending.gov, and (2) EXIM's 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).²

Cotton & Company conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), as established in the Government Accountability Office's (GAO's) *Government Auditing Standards*, December 2011 revision. 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. We conducted our audit on-site at EXIM in Washington, DC, as well as remotely at the Cotton & Company office in Alexandria, VA, from April through November 2019.

SCOPE AND METHODOLOGY

The Bank's Office of Inspector General (OIG) contracted with Cotton & Company to conduct a performance audit of the Bank's reported financial and award data, as required by the DATA Act. The scope of our audit included the Bank's first-quarter FY 2019 financial and

¹ Public Law (P.L.) 113-101.

² The Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council's (FAEC's) *Inspectors General Guide to Compliance under the DATA Act* (OIG-CA-19-012) defines completeness, accuracy, timeliness, and quality of data as follows:

Completeness of data elements means for each of the required data elements that should have been reported, the data element was reported in the appropriate Files A through D2.

Accuracy of data elements means amounts and other data relating to recorded transactions have been recorded in accordance with the DATA Act Information Model Schema (DAIMS), Reporting Submission Specification (RSS), Interface Definition Document (IDD), and the online data dictionary and agree with the authoritative source records.

Timeliness of data elements means for each of the required data elements that should have been reported, the data elements were reported in accordance with the reporting schedules defined by the financial, procurement and financial assistance requirements [Federal Funding Accountability and Transparency Act (FFATA), Federal Acquisition Regulation (FAR), Federal Procurement Data System – Next Generation (FPDS-NG), Financial Assistance Broker Submission (FABS), and DAIMS].

Quality of data elements means data that are complete, accurate, and reported on a timely basis.

award data that it submitted for publication on USASpending.gov, as well as the Bank's applicable procedures, certifications, documentation, and controls used in reporting these data.

To accomplish the objectives, we prepared an audit plan by reviewing the Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council's (FAEC's) *Inspectors General Guide to Compliance under the DATA Act* (OIG-CA-19-012) and adapting it to EXIM's environment. As part of our planning, we gained an understanding of EXIM's financial and award information and environment by reviewing relevant legislation, OMB memoranda, Treasury guidance, and audit reports issued by the Bank's OIG, including audit reports related to internal controls over the Bank's information systems. We also reviewed relevant audit reports issued by GAO and Treasury's OIG. In addition, we obtained and reviewed the Bank's documentation of systems, processes, and internal controls related to reporting under the DATA Act to gain an understanding of the Bank's DATA Act governance structure and its processes, systems, and internal controls for DATA Act reporting.

We considered the Bank's internal controls over its DATA Act reporting to assist in determining the nature, extent, and timing of testing and to assess the Bank's implementation and use of the government-wide financial data standards. Specifically, we considered the design, implementation, and effectiveness of the Bank's controls for preparing, extracting, and reviewing its financial and award data submissions; assuring that the data are complete, accurate, timely, and of quality; adhering to government-wide financial data standards; and assuring that the Bank identifies and remedies data quality challenges. We also considered whether the Bank had deficiencies in the design, implementation, and operating effectiveness of general and application controls for the systems from which the data elements were derived and linked. To achieve this, we met with Bank officials, including the Bank's Senior Accountable Official (SAO), the EXIM DATA Act Working Group (Working Group), and officials in the Office of the Chief Financial Officer (OCFO) and reviewed relevant documentation. In considering general and application controls, we reviewed the Bank's FY 2018 financial statement audit report and management letter and coordinated with the Bank's OIG regarding its other related ongoing audits.

We reviewed EXIM's Data Quality Plan (DQP), which the Bank was required to prepare in accordance with OMB Memorandum M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk*, effective June 6, 2018.

We obtained and reviewed the SAO's certification for the Bank's financial and award data submission for the first quarter of FY 2019, which stated that the Bank's internal controls support the reliability and validity of EXIM's summary- and award-level data reported for publication on USASpending.gov. We also reviewed the SAO's supporting documentation to consider if the Bank's controls enable the SAO to provide reasonable assurance that the Bank's financial and award data are complete, accurate, timely, and of quality.

We obtained the Bank's certified submission of financial and award data from the Treasury DATA Act Broker. We assessed the Bank's efforts to reconcile its File A: *Appropriations Account* and File B: *Object Class and Program Activity* to its SF-133, *Report on Budget Execution and Budgetary Resources*. We reconciled the Bank's adjusted trial balance as of December 31, 2018, to File A, and reconciled File A to File B. Finally, we assessed whether the Bank reported all required appropriation accounts and whether object classes and program activity codes conformed to OMB requirements.

We selected and tested a statistically valid sample of the financial and award data, as required by the DATA Act. We determined whether File C, which contains award-level financial data, was a suitable sampling frame (i.e., population), or whether Files D1: *Award and Awardee Attributes (Procurement Awards)* and D2: *Award and Awardee Attributes (Financial Assistance Awards)*³, which contain award and awardee attributes for procurement and financial assistance awards, were a more suitable sampling frame. The Bank does not report its loan, guarantee, and insurance programs in File C because the programs operate at either a zero or negative subsidy. We therefore determined that Files D1 and D2 were a more suitable sampling frame, to ensure that we included the Bank's procurement awards and loans, guarantees, and insurance in the sampling frame.

We conducted data reliability procedures to obtain reasonable assurance of the completeness of Files D1 and D2, including comparing both files to the contract, loan, and other financial assistance data in USASpending.gov and reconciling File C to File D1 and vice versa. We selected a statistically valid, stratified, random attribute sample from the sampling frame (Files D1 and D2) using the following parameters: 95 percent confidence level, 20 percent expected error rate, and desired sampling precision of plus or minus 5 percent.

For each record (award) sampled, we (1) tested applicable linkages between Files C, D1, D2, and E⁴ and (2) confirmed the accuracy, completeness, and timeliness of the financial and non-financial information required by government-wide financial data standards by verifying the data against the Bank's source documents, including its accounting system of record, the Financial Management System – Next Generation (FMS-NG).⁵ We also compared non-financial and additional awardee data elements to external sources, including the System for Award Management (SAM). We tested completeness by verifying whether each record sampled was recorded in the correct period and contained all of the required standardized data elements, and whether each data element conformed to the standard for

³ Per DAIMS Practices and Procedures for DATA Act Broker Submissions Version 1.3.1, financial assistance awards include grants, loans, insurance, and other financial assistance. For EXIM, this includes its loans, guarantees, and insurance.

⁴ File E: *Additional Awardee Attributes*.

⁵ We verified loan, guarantee, and insurance awards using the Bank's source systems, EXIM Online (EOL) and the Application Processing System (APS). We verified procurement award data using the Bank's source system, Comprizon, and contracts and other procurement documentation.

that element. We then assessed the quality of the information and EXIM's adherence to the 57 data standards established by OMB and Treasury.⁶

We discussed our findings and conclusions with management officials on October 15, 2019, and provided management with a draft copy of our report on October 21, 2019. We included management's comments and our responses where appropriate. We did not audit management's responses, and accordingly, we express no opinion on them.

BACKGROUND

EXIM is an independent, self-financing executive agency and a wholly-owned United States government corporation. The charter of the Export-Import Bank of the United States, cited as *The Export-Import Bank Act of 1945*, as amended through P.L. 114-94, dated December 4, 2015, states:⁷

It is the policy of the United States to foster expansion of exports of manufactured goods, agricultural products, and other goods and services, thereby contributing to the promotion and maintenance of high levels of employment and real income, a commitment to reinvestment and job creation, and the increased development of the productive resources of the United States.

In pursuit of its mission of supporting U.S. exports, EXIM offers four types of financial programs supported by the full faith and credit of the U.S. Government:

- Direct loans
- Loan guarantees
- Working capital guarantees
- Export-credit insurance

In administering these programs, the Bank is subject to various laws pertaining to federal agencies, including the DATA Act, which was enacted on May 9, 2014. The DATA Act expands the requirements of the Federal Funding Accountability and Transparency Act of 2006 (FFATA)⁸ and requires OMB and Treasury to develop government-wide financial data standards and issue guidance to federal agencies.

In May 2015, OMB and Treasury published 57 data definition standards (commonly referred to as data elements) and required federal agencies to report financial and award data in accordance with these standards for DATA Act reporting, beginning in January 2017. Treasury used these data definition standards to develop the DATA Act Information Model Schema (DAIMS), version 1.3.1, dated February 8, 2019, which was in effect during the first quarter of fiscal year 2019 DATA Act submission. DAIMS is a standard

⁶ For each error related to completeness, accuracy, and timeliness, we determined that an error in quality also existed.

⁷ Certain provisions codified at 12 U.S.C. § 635, *et seq.*

⁸ 31 U.S.C. 6101.

classification and format, or language, for exchanging data and reporting to USASpending.gov. These standards identify the data that agencies must report, generally referred to as data elements, and define each of those elements, the relationships between the elements, and how agencies must collect and report the data. Treasury began displaying federal agencies' data on USASpending.gov for taxpayers and policymakers in May 2017.

On June 6, 2018, OMB issued M-18-16, which is an amendment to OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Appendix A, *Internal Control Over Reporting* (ICOR). The amendment includes a new requirement for agencies to develop and maintain a DQP to achieve the objectives of the DATA Act. The DQP should consider the incremental risks to data quality in federal spending data and any controls that would manage such risks in accordance with OMB Circular No. A-123. The DQP includes requirements such as a documented organizational structure, key processes providing internal controls for reporting spending information, a testing plan, identification of high-risk reported data, and actions taken to manage identified risks. EXIM must include consideration of the DQP in its OMB Circular No. A-123 annual assurance statement beginning in FY 2019 and continuing at least through the statement covering FY 2021.

Under DAIMS, agencies must collect and report financial and award data in the following files:

- File A: *Appropriations Account Detail*
- File B: *Object Class and Program Activity Detail*
- File C: *Award Financial Detail*
- File D1: *Award and Awardee Attributes (Procurement Awards)*
- File D2: *Award and Awardee Attributes (Financial Assistance Awards)*
- File E: *Additional Awardee Attributes*
- File F: *Sub-Award Attributes*

Files A and B present summary-level financial information, while File C presents award-level financial information. The Bank is responsible for preparing these files and submitting them to the Treasury DATA Act Broker. Files D1, D2, E, and F present financial and non-financial information, including demographic information. The Bank is not responsible for preparing these files. Instead, the Bank submits procurement, loan, guarantee, and insurance data to government-wide procurement and financial assistance systems, which feed into USASpending.gov.⁹ The Treasury DATA Act Broker then extracts the information for Files D1, D2, E, and F from these government-wide procurement and financial assistance systems and from recipient and sub-award systems.

OMB and Treasury DATA Act guidance also require that each agency designate an SAO. The SAO is responsible and accountable for the agency's data submission and must provide reasonable assurance that internal controls support the reliability and validity of DATA Act

⁹ The government-wide procurement system is FPDS-NG. The government-wide financial assistance system is FABS.

submissions, that Files A through F have the correct linkages and alignment, and that the data in each file are valid and reliable.

In addition to the agency reporting requirements, the DATA Act imposes oversight responsibilities on OIGs and the Comptroller General of the United States. In relation to the timing of the reporting, CIGIE identified a timing anomaly with the oversight requirements contained in the DATA Act. That is, the first OIG reports were due to Congress in November 2016; however, federal agencies were not required to report spending data until May 2017. To address this reporting date anomaly, the IGs provided Congress with their first required reports by November 8, 2017, one year after the statutory due date, with two subsequent reports to be submitted on a two-year cycle. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform (see Appendix A).

To assist the OIG community in performing the required reviews and set a baseline framework for the reviews, the FAEC formulated the FAEC DATA Act Working Group, which issued the *Inspectors General Guide to Compliance under the DATA Act* in February 2017 (OIG-CA-17-012). The FAEC DATA Act Working Group revised the guide in February 2019 (OIG-CA-19-012).

AUDIT RESULTS

The objectives of this performance audit were to assess (1) EXIM's implementation and use of the government-wide financial data standards established by OMB and Treasury, and (2) the accuracy, completeness, timeliness, and quality of EXIM's financial and award data submitted for publication on USASpending.gov for the first quarter of FY 2019. Although OMB and Treasury guidance leveraged existing processes for reporting procurement and financial assistance data in accordance with FFATA when developing government-wide financial data standards and the DATA Act reporting process, EXIM was not subject to FFATA reporting prior to the DATA Act. Accordingly, EXIM's level of effort for implementing the government-wide financial data standards and DATA Act reporting was increased, as the Bank was required to undergo significant changes to its systems and processes.

We determined that the Bank's processes for implementing the DATA Act requirements have improved since the Bank's audit of the financial and award data submission as of the second quarter of FY 2017. However, these processes are still maturing, and the Bank continues to have opportunities to improve the overall quality of its quarterly financial and award data, and to strengthen its internal control processes and procedures to ensure compliance with the DATA Act standards and requirements.

Completeness and Accuracy of DATA Act Submission (Files A, B, and C)

EXIM prepared Files A, B, and C for its DATA Act submission. We found that File A was not accurate because it included amounts for canceled authority in six File A balances.

File B contained one error and did not reconcile to File A in all respects because of this error. Specifically, the Bank understated its Gross Outlays Delivered Orders Paid – Current Period Ending (CPE) less Fiscal Year Beginning (FYB) amount by \$15,001, causing an error both within File B and between File A and File B.

In addition, EXIM did not always report an appropriate object class and program activity code in its File B.

EXIM's File C includes obligations incurred by object class for procurement awards only, while File B contains all obligations incurred by object class. Both files exclude obligations incurred in the credit financing accounts. Agencies are not required to include obligations incurred for certain types of expenditures, such as payroll and travel, as part of their DATA Act reporting; as such, it is not necessary to reconcile File B to File C. However, analyzing any differences in the obligations incurred by object class between the two files may assist the agency in assessing the completeness of File C. The Bank did not perform any analysis of the differences between File C and File B.

Please see Findings and Recommendations Numbers 1 and 2 below for information regarding our assessment of EXIM's internal control procedures related to the completeness and accuracy of its DATA Act submission.

Timeliness of the DATA Act Submission

EXIM submitted and certified its first-quarter FY 2019 DATA Act files on March 20, 2019, the DATA Act submission due date in accordance with the Treasury reporting schedule.

Specific Results of Detailed Testing of Sampled Financial and Award Data

Cotton & Company determined that File C was not suitable for use as the sampling frame for selecting a sample to audit the completeness, accuracy, and timeliness of EXIM's financial and award data, as the Bank did not include its financial assistance awards under its loan, guarantees, and insurance programs in File C. We therefore used Files D1 and D2 as the frame for selecting a statistically valid sample. We stratified the sample between File D1 (Stratum 1) and D2 (Stratum 2) and selected a random attribute sample. We determined the sample size using a 95 percent confidence level, a 20 percent expected error rate, a precision rate of 5 percent, and a sampling frame of 647 records. We determined that a sample size of 170 records was appropriate. We allocated the sample size between Stratum 1 and Stratum 2 using a 6.5 percent precision rate for each stratum and the stratum's actual population size. We selected a random attribute sample for each stratum, for a total sample size of 170 records.

Figure 1: Sampling Frame and Sample Size by Stratum

DATA Act File	Total Records	Records Sampled
Stratum 1 (File D1)	99	59
Stratum 2 (File D2)	<u>548</u>	<u>111</u>
Total	<u>647</u>	<u>170</u>

We determined that EXIM's financial and award data were not always accurate and complete. Sample records contained inaccurate data that had been submitted by the Bank, extracted by the Treasury DATA Act Broker, or derived by government-wide intermediary procurement and financial assistance systems. We also determined that the Bank did not submit its October, November, and December financial assistance award data to FABS in a timely manner.

We assessed each characteristic (i.e., completeness, accuracy, and timeliness) at the sample record level and aggregated the results of each characteristic across the data elements applicable to the record. We aggregated the results from the individual data element tests to calculate the summary-level measures of completeness, accuracy, and timeliness using record-level error percentages for each characteristic. We then calculated the average error percentage for all sample records to determine the estimated projections to the population. Because we used a stratified sampling methodology, we calculated a weighted projected error rate for the sample as a whole by applying the average error percentages for all sample records to each stratum. Once we determined the weighted projected error rate, we calculated the weighted lower- and upper-limit error rate for the combined strata.

Figure 2 presents the overall summary of errors and projected error rates for the accuracy and completeness characteristics we tested in our statistical sample. Appendix B contains the full results of our sample testing. We did not note any timeliness errors during our testing of source documentation for the sample items and did not compute an error rate for the timeliness characteristic. However, we did note that EXIM did not submit its FABS data to the DATA Broker in a timely manner.

Figure 2: Overall Summary of Projected Error Rates

Characteristic	Population	Sample	D1 Sample (Stratum 1) Average Projected Error Rate for Records Sampled	D2 Sample (Stratum 2) Average Projected Error Rate for Records Sampled	Weighted Projected Error Rate for Strata 1 and 2 Combined	Weighted Lower-Limit Error Rate for Strata 1 and 2 Combined	Weighted Upper-Limit Error Rate for Strata 1 and 2 Combined
Accuracy	647	170	12.27%	5.65%	6.66%	3.81%	11.09%
Completeness	647	170	0.18%	3.36%	2.87%	0.90%	6.92%
Timeliness	647	170	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Projected error rates represent point estimates; lower- and upper-limit error rates represent the minimum and maximum possible error rate at a 95 percent confidence level.

Please see Findings and Recommendations Numbers 3 and 4 below for information regarding our assessment of EXIM’s internal control procedures related to the completeness and accuracy of its Files D1 and D2 data and the timeliness of its FABS data submissions.

Final Determination of Data Quality

Data that are complete, accurate, and timely are considered to be of high quality. We determined the quality of the data by applying the highest weighted projected error rates for Strata 1 and 2 combined for each characteristic. The range of error in determining data quality per OIG-CA-19-012 follows:

Figure 3: Data Quality Factors

Highest Error Rate	Quality Level
0 to 20 percent	Higher
21 to 40 percent	Moderate
41 percent and above	Lower

Based on the results of our detailed tests of data elements, shown in Figure 3 above, we assessed the quality of EXIM’s data to be of higher quality.

Supplemental (Non-Projected) Reporting of Sample Testing Results

Below we discuss the results of the supplemental testing that we conducted as part of our detailed tests of sampled transactions.

Analysis by Data Element

We determined the error rate for each applicable data element based on the results of our detailed testing of financial and award data. We found that 28 of 46 data elements tested contained errors. Weighted projected error rates ranged from 0.52 percent to 33.9 percent, excluding data elements that had either zero or 100 percent errors. Eleven data elements had error rates exceeding 20 percent. See Appendix B, Figure 11, *Data Elements Tested, Errors, Projected Error Rates, and Lower- and Upper-Limit Error Rates* for a complete listing of the data elements tested and the test results.

Analysis of Dollar-Value Data Elements

We identified differences between the amounts recorded in File D1, the procurement awards, and the source documentation that we tested during our audit for the following data elements:

Data Element 11(A) – Federal Action Obligation: We noted three differences between the amounts reported in File D1 and the amounts shown in the source documentation, for a total absolute value of \$815,971. EXIM erroneously reported amounts in FPDS when entering closeout modifications. The Bank was aware of the errors but was unable to correct FPDS prior to its DATA Act submission because the awards are closed.

Data Element 14(A) – Current Total Value of Award: We noted nine differences between the amounts reported in File D1 and the amounts shown in the source

documentation, for a total absolute value of \$2,192,451. We could not determine a cause for these differences.

Data Element 15 – Potential Total Value of Award: We noted ten differences between the amounts reported in File D1 and the amounts shown in the source documentation, for a total absolute value of \$5,311,134. We could not determine a cause for these differences.

We identified differences between the amounts recorded in File D2, the financial assistance awards, and the source documentation that we tested during our audit for the following data element:

Data Element 11 – Federal Action Obligation and Data Element 13 – Amount of Award: For each data element, we noted the same 29 differences between the amounts reported in File D2 and the amounts reported in the source documentation, for a total absolute value of \$1,217,626. A partial explanation for these differences is that the Bank did not report its negative subsidy amounts, which accounted for \$93,136 of the variance. We could not determine a cause for the remaining differences.

Analysis of Errors in Data Elements Not Attributed to EXIM

See Appendix B, Figure 11 for information showing errors and projected error rates by data element. Figure 11, Footnotes 12, 13, and 14 indicate which data elements are derived by the DATA Broker when preparing Files D1 and D2. Although some data elements are derived, some are derived from data reported by EXIM, while other data elements are derived from sources that EXIM is not responsible for updating. While this information provides context regarding both the variety of data sources and the number of responsible parties involved in accumulating data for USASpending.gov, EXIM is ultimately responsible for providing reasonable assurance regarding the quality of its data.

EXIM's Use of the Data Standards

We evaluated EXIM's implementation and use of the government-wide financial data standards for spending information, as developed by OMB and Treasury, and determined that EXIM is not using certain data standards as intended.

Federal Action Obligation: The Bank reported the Policy Payment Limits for its insurance policies under Data Element "Federal Action Obligation" which then is included in Data Element "Total Funding Amount." Because its insurance policies are budgeted and accounted for in accordance with the Federal Credit Reform Act of 1990, the Bank does not incur an obligation for the full amount of its policy payment limit. Rather, an obligation is incurred for the subsidy associated with issuing the insurance policy.

Negative Subsidy Amounts: The Bank did not report its negative subsidy amounts in Data Element "Original Loan Subsidy Cost".

Insurance Policy Quotes: EXIM included insurance quotes in its FABS submission and its certified File D2 that had not been accepted by the insurance applicant and for which a binding insurance policy was not in place.

In addition, EXIM does not have a complete data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.

Please see Findings and Recommendations Numbers 5 and 6 below for information regarding our assessment of EXIM's internal control procedures related its implementation of the government-wide financial data standards.

EXIM's Data Quality Plan

EXIM did not comply with OMB Memorandum M-18-16's requirement that agencies complete a DQP beginning in FY 2019. EXIM prepared a DQP; however, development was not far along enough for EXIM to implement, test, and evaluate the DQP by the end of FY 2019. The Bank is planning to further develop and implement its DQP in FY 2020.

Please see Finding and Recommendation Number 7 for information regarding our assessment of EXIM's development of a DQP.

Findings and Recommendations Regarding Internal Controls

We made 14 recommendations, as discussed in the below findings and recommendations regarding internal control. These recommendations, if implemented, should help improve the Bank's implementation and use of government-wide financial data standards established by OMB and Treasury, as well as the accuracy, completeness, timeliness, and quality of the Bank's financial and award data submitted for publication on USASpending.gov.

EXIM management concurred with our recommendations and stated that it will take corrective actions in response to our recommendations. Management's responses to the findings and recommendations are summarized within the report. Please see appendix C for a complete copy of management's responses. We did not audit management's responses, and accordingly, we express no opinion on them.

Finding 1: EXIM Did Not Prepare Timely and Accurate File A, File B, and File C Reconciliations and Did Not Appropriately Design the Reconciliations

EXIM developed internal control procedures to address recommendations from its FY 2017 DATA Act audit. Specifically, as part of its corrective actions, EXIM prepared and updated standard operating procedures (SOP) titled *DATA Act Files A B SOP Rec #7 #8* and submitted it to the OIG on March 5, 2019, and developed three new SOPs, titled *DATA Act – Procedures for DATA Act file validations*, *DATA Act Procedures for DATA Act Cross-File validations*, and *DATA Act – Review Processes and Task Schedule* and submitted them to the OIG on June 5, 2019.

However, EXIM did not follow its *Procedures for DATA Act file validations* SOP, which included control activities to perform four DATA Act file reconciliations to ensure the

completeness and accuracy of DATA Act Files A, B, and C prior to the Bank's quarterly submission.

Reconciliation of File A (For All Funds Available in File A) to the SF-133: EXIM's process for reconciling File A to the SF-133 was not designed appropriately because it did not include steps to ensure that differences are resolved. For example, differences between the SF-133 and File A for six File A column names were labeled "Known invalid TAS in GTAS – to exclude from Data Act File fund 2012-2013-0105, fund 2013-2013-0100, and fund 2000-2003-0100." However, the Bank inaccurately included these funds in File A. Because the funds had been cancelled as of September 30, 2018, the Bank should not have included the cancelled authority in File A. The reconciliation also did not indicate the version/file name of the data sources that the Bank used in preparing the reconciliation.

Reconciliation of File A to File B: EXIM's File A to File B reconciliation was not designed appropriately to ensure that all differences are identified and resolved. The reconciliation shows File A amounts (by column name) that do not agree with the amounts in the actual File A that the Bank certified and transmitted to the DATA Broker. In addition, the reconciliation did not identify an error in File B that caused a difference between the Obligations Incurred amount and the sum of all of the columns that, when added together, should equal the Obligations Incurred amount. The reconciliation would have identified this error if the Bank had designed the reconciliation to compare the sum of all columns comprising the Obligations Incurred balance to File A, or to ensure that the sum of the individual columns comprising the Obligations Incurred balance equaled the column titled Obligations Incurred. The reconciliation also did not indicate the version/file name of the sources that the Bank used in preparing the reconciliation.

Reconciliation of File B to File C: EXIM did not prepare a reconciliation of File B to File C.

Reconciliation of Files A and B to the EXIM Trial Balance: EXIM reconciled File A to the trial balance in the same reconciliation worksheet that it used to document its reconciliation of File A to File B. The Bank's reconciliation of File A to the trial balance was not accurate or designed appropriately. The reconciliation shows File A amounts (by column name) that do not agree with balances in the actual File A that the Bank certified and transmitted to the DATA Broker. In addition, the trial balance amounts shown in the reconciliation for each File A column name do not tie to the trial balance. The reconciliation also does not show how the Bank calculated each amount, itemize the reconciling items, or indicate the version/file name of the sources that the Bank used in preparing the reconciliation.

EXIM also performed a reconciliation between File C and File D1 and provided explanations for differences. However, it did not identify an error in File C related to one of the reconciling differences and therefore did not correct File C.

In addition, the Bank did not prepare the reconciliations timely (i.e., prior to the first-quarter FY 2019 DATA Act submission), and the reconciliations did not include evidence

indicating who prepared and reviewed/approved them and the dates that they were prepared and reviewed/approved.

GAO's *Standards for Internal Control in the Federal Government* (GAO-14-704G) states:

A smaller entity, however, faces greater challenges in segregating duties because of its concentration of responsibilities and authorities in the organizational structure. Management, however, can respond to this increased risk through the design of the internal control system, such as by adding additional levels of review for key operational processes, reviewing randomly selected transactions and their supporting documentation, taking periodic asset counts, or checking supervisor reconciliations. (OV4.05)

GAO-14-704G further states:

Management designs appropriate types of control activities for the entity's internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system....Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained. (10.03)

The Bank's processes and procedures are still evolving. Its internal controls did not operate as designed in the SOPs related to Files A, B, and C DATA Act reporting, and EXIM's management did not monitor its internal control processes to ensure that the reconciliations were performed timely and accurately, and that the reconciliations were appropriately designed.

EXIM made adjustments to File A that were not reflected in either the trial balance or the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) files. For example, EXIM increased unobligated balances for anticipated resources that had not been recognized prior to the actual collection of the resources (\$563,225) and increased obligations incurred (\$150); however, EXIM did not identify these differences in its reconciliations.

EXIM did not thoroughly research one reconciling difference identified as part of its File C to File D1 reconciliation and therefore did not identify an error in File C. As a result, the Total Obligated Amount in File C was understated by \$26,883.

Files A and B of EXIM's DATA Act submission for the first quarter of FY 2019 were not accurate, as shown in Figures 4 and 5.

Figure 4: File A Errors

File A Column Heading	Amount of Error	Over-Understatement
Total Budgetary Resources - CPE	\$326,944	Overstatement
Adjustments to Unobligated Balance Brought Forward - CPE	1,306,645	Overstatement
Other Budgetary Resources Amount - CPE	1,633,409	Overstatement
Spending Authority from Offsetting Collections Amount Total - CPE	1,633,409	Overstatement
Status of Budgetary Resources Total - CPE	326,944	Overstatement
Unobligated Balance - CPE	326,944	Overstatement

Figure 5: File B Error

File B Column Heading	File B Amount	File A Obligations Incurred Total by Treasury Account Symbol (CPE)	Difference Between File A and File B
Obligations Undelivered Orders Unpaid (CPE less FYB)	\$(12,615,685)		
Obligations Delivered Orders Unpaid (CPE less FYB)	(203,845)		
Gross Outlays Undelivered Orders Prepaid (CPE less FYB)	0		
Gross Outlays Delivered Orders Paid (CPE less FYB)	<u>(27,271,982)</u>		
Subtotal	\$(40,091,512)	\$(40,106,513)	\$15,001
Obligations Incurred by Program Object Class CPE	<u>(40,106,513)</u>	<u>(40,106,513)</u>	<u>0</u>
Difference (Error Amount)	<u>\$15,001</u>	<u>\$0</u>	<u>\$0</u>

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendations

We recommend that the OCFO:

1. Revise the internal control activities around Files A, B, and C to ensure that the Bank performs accurate and appropriately designed validations and reconciliations before the SAO submits and certifies the Bank's quarterly DATA Act submissions. Procedures should ensure that the reconciliations use all amounts shown in each file and that personnel itemize all reconciling items and identify corrective actions. Once the Bank has completed the corrective actions, it should re-perform the reconciliations until all reconciling items are resolved or no further action is required.
2. Design, document, and implement a formalized document signoff process that includes the names of the preparer and the reviewers and the dates that the preparer and reviewers completed and approved the internal control activities (i.e., the reconciliations) so the Bank can perform proper monitoring of the control procedures in conjunction with each DATA Act submission.

Management's Response

Management agrees with our recommendations and stated that EXIM will revise the internal control activities around Files A, B, and C, to ensure that EXIM performs accurate and appropriately designed validations and reconciliations. In addition, EXIM will design, document, and implement a formalized document signoff process to ensure that EXIM can perform proper monitoring of the control procedures in conjunction with each DATA Act submission.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendations. The recommendations will be closed upon completion and verification of the corrective actions.

Finding 2: EXIM's Required Data Were Not Always Completely Reported

EXIM did not always report an appropriate object class and program activity code in its first-quarter FY 2019 DATA Act File B, *Object Class and Program Activity* (File B), resulting in incomplete reporting of spending data. Specifically, we noted that 34 of 251 transactions reported in File B had an object class of "000," which is not listed in OMB A-11, *Preparation, Submission, and Execution of the Budget*, § 83, Object Classification (Max Schedule O) and is not a valid object class. We also noted that 93 of the 251 transactions had a project activity code and name of "0 Unknown/Other," and that 1 of the 251 transactions had a project activity and code name of "709 Unknown/Other." These project codes are not listed in EXIM's Detailed Budget Estimates by Agency Appendix in the President's Budget (Program and Financing Schedule).

In EXIM's first-quarter FY 2019 DATA Broker certification, the SAO stated that the invalid object classes reported in File B are caused by older transactions and journal vouchers that the Bank had recorded in its financial system of record, FMS-NG, without an object class code. As of the date of the FY 2019 DATA Act audit, EXIM management has not implemented policies and procedures to help ensure that all transactions in File B include object classes. EXIM management has not considered designing and implementing a temporary process to manually adjust transactions in File B to ensure that File B includes all of the required object classes.

In addition, EXIM management has not implemented policies and procedures to help ensure that all transactions reported in File B have proper program activity codes and names.

The Bank reported the 34 transactions with missing object classes in 34 of the 37 TASs that the Bank reports in File B. The 34 transactions account for:

- \$86.0 million of the \$147.6 million reported in CPE Undelivered Orders (58.3 percent)
- \$1.7 million of the \$35.0 million reported in CPE Delivered Orders (4.9 percent)

The Bank reported the 94 transactions with invalid program activity codes in 10 of the 37 TAS that the Bank reports in File B. The 94 transactions account for:

- \$2.1 million of the \$147.6 million reported in CPE Undelivered Orders (1.4 percent)
- \$1.2 million of the \$35.0 million reported in CPE Delivered Orders (3.4 percent)

The DATA Act and government-wide financial data standards require agencies to report valid program activity names and codes in File B.

The Federal Spending Transparency Data Standards established by OMB and Treasury define object classes as “categories in a classification system that presents obligations by the items or services purchased by the Federal Government.” Each specific object class is defined in OMB Circular A-11 § 83.6.

The Federal Spending Transparency Data Standards further defines program activity as “a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government.”

OMB A-11 § 83.2 states, “You must report object class information because the law (31 U.S.C. 1104(b)) requires the President’s Budget to present obligations by object class for each account.”

Data that do not contain a valid object class and/or program activity code do not convey useful information about (1) the type of items or services purchased and (2) the nature of the activity or program for which the Bank purchased the items or services.

Recommendations, Management’s Response, and Evaluation of Management’s Response

Recommendations

We recommend that the SAO, in coordination with the OCFO:

3. Develop, document, and implement a policy requiring that all journal vouchers that adjust obligated balances include object classes and program activity codes.
4. Review the Bank’s current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG.
5. Develop and document a corrective action plan to assure that the Bank accurately and completely reports object classes and program activity codes in all financial and award data submissions (Files B and C). The corrective action plan should document EXIM’s root-cause analysis, steps required to correct missing object classes in financial and award data submissions, and the planned timeline.

Management's Response

Management agrees with the recommendations. EXIM stated that it will develop a process to require that adjustments to obligated balances include object classes and program activity codes, review EXIM's current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG, and will develop and document a corrective action plan to accurately and completely report object classes and program activity codes in all financial and award data submissions. EXIM also stated that as of the third quarter of FY 2019, EXIM has implemented changes to start correcting the transaction data, including research of prior years' data and necessary system changes.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendations. The recommendations will be closed upon completion and verification of the corrective actions.

Finding 3: EXIM's Files D1 and D2 Data Were Not Always Accurate and Complete

We concluded that the Bank's current internal controls need improvement to help ensure that the Bank can provide reasonable assurance that the data contained in Files D1 and D2 are accurate and complete, including controls to help ensure that errors in EXIM data derived by external systems are detected and corrected in a timely manner. We identified control deficiencies related to data input, data verification and validation at the transaction level, review and approvals, and data quality monitoring and data quality certifications. As a result, EXIM did not always accurately or completely report the data elements in Files D1 and D2.

We selected a stratified, statistically valid random sample of 170 award-level records from Files D1 and D2. We tested the accuracy and completeness of the data elements reported for each sampled record by agreeing each data element to EXIM's systems of record, source documentation, or other appropriate sources. As shown above in Figure 1, *Sampling Frame and Sample Size by Stratum*, our sample included 59 records from File D1 and 111 records from File D2.

Of the 59 procurement award records sampled from File D1, we found that all 59 records contained at least one accuracy or completeness error.

Figure 6: File D1 Data Accuracy and Completeness Errors

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
11	Federal Action Obligation	3	The amounts do not agree to the Bank's source documentation or its financial accounting system, FMS-NG. The contracting officer or contract specialist entered an incorrect amount in FPDS.	25, 33, and 53

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
14	Current Total Value of Award	10	The amounts do not agree to the Bank's source documentation or FMS-NG. The contracting officer or contract specialist entered an incorrect amount in FPDS.	3, 7, 9, 14, 15, 21, 24, 34, 45, and 58
15	Potential Total Value of Award	20	The amounts do not agree to the Bank's source documentation. The contracting officer or contract specialist entered an incorrect amount in FPDS.	3, 6, 7, 9, 14, 15, 20, 21, 24, 34, 35, 37, 40, 42, 45, 49, 50, 54, 57, and 58
25	Action Date	1	The date did not agree to the signed or effective date of the contract. (The effective date is used when there is no signed date.) The contracting officer or contract specialist entered an incorrect date in the Bank's contracting system, Comprizon.	25
26	Period of Performance Start Date	43	The date did not agree with the source documentation, either the contract or the statement of work. The contracting officer or contract specialist entered an incorrect date in FPDS.	2, 6, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 38, 40, 41, 42, 44, 45, 46, 47, 48, 50, 51, 52, 53, 55, 56, 57, and 59
27	Period of Performance Current End Date	27	The date did not agree with the source documentation, either the contract or the statement of work. The contracting officer or contract specialist entered an incorrect date in FPDS.	6, 10, 12, 13, 21, 22, 24, 25, 26, 29, 33, 34, 35, 36, 37, 39, 40, 42, 44, 47, 50, 51, 52, 53, 54, 57, and 58
28	Period of Performance Potential End Date	12	The date did not agree with the source documentation, either the contract or the statement of work. The contracting officer or contract specialist entered an incorrect date in FPDS.	10, 12, 13, 22, 25, 29, 33, 34, 37, 45, 53, and 58
29	Ordering Period End Date	1	The date did not agree with the source documentation, either the contract or the statement of work. The contracting officer or contract specialist entered an incorrect date in FPDS.	39
2	Awardee/Recipient Unique Identifier	10	<p>The data [i.e., the Dun & Bradstreet (DUNS) number] did not agree to the source documentation or systems.</p> <ul style="list-style-type: none"> For seven records, the DUNS number did not agree to the award documentation (i.e., the contract). The contracting officer or contract specialist entered an incorrect DUNS number in Comprizon. For three records, we were unable to locate the DUNS number in SAM.gov. 	6, 9, 22, 25, 31, 36, 47, 49, 51, and 57

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
1	Awardee/Recipient Legal Entity Name	11	<p>The awardee/recipient legal entity name did not agree to the source documentation or systems. FPDS derives this field using the DUNS number.</p> <ul style="list-style-type: none"> For eight records, the awardee name did not agree to the award documentation (i.e., contract) or SAM.gov. The contracting officer or contract specialist entered an incorrect DUNS number in Comprizon. For three records, we were unable to locate the DUNS number in SAM.gov. 	5, 16, 22, 23, 31, 36, 46, 47, 48, 49, and 57
3	Ultimate Parent Unique Identifier	14	<p>The data (i.e., the parent DUNS number) either did not match the data in SAM or contained incomplete data fields. FPDS derives this field using the “Awardee/Recipient Unique Identifier” (i.e., the DUNS number).</p> <ul style="list-style-type: none"> For 12 records, we were unable to locate the parent DUNS number in SAM.gov. For two records, File D1 did not include a parent DUNS number in the applicable data element field. This represents an exception related to completeness and accuracy. 	1, 12, 21, 23, 33, 34, 36, 37, 41, 42, 45, 49, 57, and 58
4	Ultimate Parent Legal Entity Name	18	<p>The data reported in File D1 did not match the data included in SAM. FPDS derives this field using the “Awardee/Recipient Unique Identifier” (i.e., the DUNS number).</p> <ul style="list-style-type: none"> For 12 records, we were unable to locate the parent DUNS number in SAM.gov. For four records, File D1 indicates that a parent exists, but the parent name in File D1 does not match the parent name in SAM.gov. For two records, File D1 did not include the name of the parent in the applicable data element field. This represents an exception related to completeness and accuracy. 	1, 5, 12, 16, 21, 23, 33, 34, 36, 37, 41, 42, 45, 46, 48, 49, 57, and 58
7 & 8	Legal Entity Country Code and Legal Entity Country Name	2	The data reported in File D1 did not match the Bank’s source documentation (i.e., the contract). FPDS derives this field using the “Awardee/Recipient Unique Identifier” (i.e., the DUNS number).	22 and 31
5	Legal Entity Address City Name, State Code, Zip+4	31	<p>The data did not match the Bank’s source documentation (i.e., the contract or applicable source systems). FPDS derives these fields using the “Awardee/Recipient Unique Identifier” (i.e., the DUNS number).</p> <ul style="list-style-type: none"> For 16 records, the entire address did not agree to the address reported in the Bank’s 	1, 2, 4, 5, 6, 7, 8, 12, 16, 17, 22, 23, 24, 25, 28, 31, 36, 37, 38, 39, 42, 46, 47, 48, 49, 50, 51, 54, 55, 56, and 57

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
			<p>source documentation, including the street address, city, state code, and zip code.</p> <ul style="list-style-type: none"> For 11 records, the entire address did not agree to the address reported in SAM.gov, including the street address, city, state code, and zip code. For 10 records, the last 4 digits of the zip code were not accurate based on the U.S. Postal Service's zip code look-up tool, located at https://tools.usps.com. For three records, the awardee did not exist in SAM.gov. 	
6	Legal Entity Congressional District	2	The data reported in File D1 did not match the congressional district based on the zip code and the House of Representative's Find Your Representative tool, located at https://www.house.gov/representatives/find-your-representative . FPDS derives this field using the "Awardee/Recipient Unique Identifier" (i.e., the DUNS number).	9 and 42
30	Primary Place of Performance City Name and Zip Code	16	The data either are not recorded on the Bank's supporting documentation (15 records) or do not match the supporting documentation (one record). The contracting officer or contract specialist entered incorrect data in FPDS.	3, 14, 15, 19, 20, 25, 26, 27, 32, 38, 41, 45, 52, 53, 56, and 59
16	Contract Award Type and Type of Contract Pricing	35	The data either are not recorded on the Bank's supporting documentation (32 records) or do not match the supporting documentation (3 records).	1, 7, 8, 9, 14, 15, 16, 17, 18, 19, 21, 22, 23, 25, 27, 31, 32, 34, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 53, 55, 56, 57, and 59
22	Award Description	9	The description of the award is not accurate. The contracting officer or contract specialist entered an incorrect award description in FPDS.	9, 13, 14, 27, 33, 44, 53, 58, and 59
36	Action Type and Action Type Description	3	The type and type description are not accurate. The contracting officer or contract specialist entered an incorrect award description in FPDS.	2, 25, and 27
17 and 18	North American Industry Classification System (NAICS) Code and Description	1	The NAICS code and description did not exist in the OMB 2017 NAICS Manual. The contracting officer or contract specialist entered an incorrect NAICS code in Comprizon.	6

Of the 111 financial assistance award records sampled from File D2, we found that 66 records contained at least one accuracy or completeness error.

Figure 7: File D2 Data Accuracy and Completeness Errors

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
23	Award Modification Amendment Number	1	The source system, EOL, included a no-dollar amendment for this award; no data elements required by the DATA Act were changed per the amendment. Therefore, based on EXIM's criteria for identifying modification amendments, this sample should not have been treated as an award modification amendment.	77
11(A) & 11(C)	Federal Action Obligation and Original Loan Subsidy Cost	30	<p>The Federal Action Obligation and Original Loan Subsidy Cost data elements did not match the Bank's source records in EOL or FMS.</p> <ul style="list-style-type: none"> For 30 records, the Bank omitted the original loan subsidy cost from the DATA Act submission, because it was negative subsidy. For 2 of the 30 records, the Federal Action Obligation Amount did not agree with EOL or FMS. 	60, 68, 77, 79, 88, 91, 98, 103, 105, 108, 112, 117, 118, 121, 122, 124, 125, 126, 137, 143, 151, 153, 155, 157, 161, 162, 164, 165, 166, and 169
13	Total Funding Amount	30	The total funding amount is comprised of Data Elements 11(A), 11(C), and 12. Therefore, for 30 records the Total Funding Amount did not match the Banks's source records in EOL or FMS for the reasons noted above.	60, 68, 77, 79, 88, 91, 98, 103, 105, 108, 112, 117, 118, 121, 122, 124, 125, 126, 137, 143, 151, 153, 155, 157, 161, 162, 164, 165, 166, and 169
25	Action Date	5	The date did not match the Bank's source records in EOL or APS.	72, 88, 113, 119, and 151
26	Period of Performance Start Date	6	For six records, the dates did not match the dates in shown in EOL.	72, 76, 79, 89, 120, and 122
27	Period of Performance Current End Date	5	For five records, the dates did not match the source documentation.	79, 117, 120, 122, and 124
49, 48, 43, and 42	Awarding Office Code, Awarding Office Name, Funding Office Code, and Funding Office Name	35	Data were incomplete because these data elements were not included in EXIM's FABS file. This represents exceptions related to completeness and accuracy.	136 through 170
3	Ultimate Parent Unique Identifier	1	The data recorded (i.e., the DUNS number) did not match SAM.gov.	133

Data Element No.	Data Element	No. of Errors	Condition	Sample Nos.
4	Ultimate Parent Legal Entity Name	2	The data recorded (i.e., the DUNS number) did not match SAM.gov.	129 and 133
5	Legal Entity Address	14	<p>The data did not match the data included in the Bank's source records in EOL or APS, or were incomplete.</p> <ul style="list-style-type: none"> For six records, the city name or full address was incorrect per the source records in EOL. For nine records, the P.O. Box, the last four digits of the legal entity's zip code, or the full address did not agree to the data reported in SAM.gov. 	60, 68, 71, 86, 113, 131, 132, 133, 135, 145, 147, 151, 162, and 164
36	Action Type and Action Type Description Tag	1	The data did not match the Bank's source documents in EOL.	77

OMB Management Procedures Memorandum No. 2016-03, *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information*, dated May 3, 2016, states:

On a quarterly basis, agency Senior Accountable Officials must provide reasonable assurance that their internal controls support the reliability and validity of the agency account-level and award-level data they submit to Treasury for publication on USASpending.gov.

GAO's *Standards for Internal Control in the Federal Government* (GAO-14-704G) states:

A smaller entity, however, faces greater challenges in segregating duties because of its concentration of responsibilities and authorities in the organizational structure. Management, however, can respond to this increased risk through the design of the internal control system, such as by adding additional levels of review for key operational processes, reviewing randomly selected transactions and their supporting documentation, taking periodic asset counts, or checking supervisor reconciliations. (OV4.05)

GAO-14-704G further states:

Management designs appropriate types of control activities for the entity's internal control system. Control activities help management fulfill responsibilities and address identified risk responses in the internal control system....Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or

operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained. (10.03)

Below we have identified causes that may have contributed to the Bank's errors with regard to data accuracy and completeness.

As a result of the DATA Act and OMB and Treasury's issuance of government-wide financial data standards, EXIM began reporting its procurement actions to FPDS in February 2017. EXIM was not previously required to report this information. As a result, EXIM has been required to put forth a significant level of effort to ensure that its current-period procurement actions are reported accurately in FPDS, including performing additional data entry. Current controls may not provide reasonable assurance that Files D1 and D2 are accurate and complete because EXIM's process for generating the data is still maturing. Additionally, the design of EXIM's controls will not detect errors in EXIM's data that are derived by the DATA Broker.

In addition, Comprizon does not systematically feed all of the required award-level data to FPDS. Accordingly, the Bank's contracting officers and contract specialists must manually input certain award-level data in FPDS. We found that, although the Bank has developed, documented, and implemented formal procedures to help ensure that all contracting officers and contract specialists are entering information in FPDS consistently, errors still occur. Contracting officers and contract specialists sometimes use different source information to populate the same data elements in FPDS, including the Award Description, Period of Performance Current End Date, Period of Performance Potential End Date, Current Total Value of Award, Potential Total Value of Award, and the Primary Place of Performance. Contracting officers and contract specialists have also made clerical errors when entering information in FPDS.

Because Files D1 and D2 are automatically populated using the data in FPDS, FABS, and SAM.gov, the SAO relied solely on the controls over EXIM's process for entering data into FPDS and FABS when certifying Files D1 and D2 during the Bank's first-quarter FY 2019 DATA Act submission. It did not have a process to identify errors made by the DATA Broker so that they could be prevented or detected and brought to Treasury's attention, as appropriate.

EXIM did not become aware of DAIMS revisions when they were first published because, as a non-CFO Act agency, EXIM is not a participant of the CFO Council meetings and was not notified that the DAIMS revisions would no longer be published on OMB MAX. In addition, EXIM was not aware of the OMB and Treasury document titled Agency FAQs [11/4/2016] – *Digital Accountability and Transparency Act of 2014*, which provides guidance on how to report negative subsidy. EXIM made a decision not to report negative subsidy amounts without consulting OMB and Treasury to determine the intent of the data standards for reporting subsidy related to financial assistance awards.

Until EXIM designs and implements effective controls over its Files D1 and D2 data, including procedures for communicating potential DATA Broker errors to Treasury, the

Bank has an increased risk that its future DATA Act submissions will not be accurate and complete.

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendations

We recommend that the SAO and EXIM's Working Group:

6. Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D1 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in Comprizon and FPDS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.
7. Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D2 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in FABS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.
8. Improve the design of its review of the procurement and financial assistance award data in FPDS and FABS by reviewing additional data elements and performing more comprehensive reviews.
9. Design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the quarterly DATA Act submissions, and a process for notifying the DATA Broker of any errors identified in data derived by the DATA Broker. Review procedures should include steps for documenting any errors or concerns identified, including any necessary corrective actions.

Management's Response

EXIM management agrees with the recommendations. EXIM stated that it will determine the root cause of the errors identified during the testing of the first-quarter FY 2019 Files DI and D2, correct the errors for records shown in USA Spending.gov, identify the risk of reporting incorrect data for each data element containing an error, and modify its policies and procedures for recording data in Comprizon, FPDS, and FABS, to address the risks. In addition, EXIM will improve the design of its review of the procurement and financial assistance award data by reviewing additional data elements and performing more comprehensive reviews. EXIM will also design, document, and implement processes for reviewing Files DI and D2 before the quarterly DATA Act submissions, and for notifying the DATA Broker of any errors identified in data derived by the DATA Broker.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendations. The recommendations will be closed upon completion and verification of the corrective actions.

Finding 4: EXIM Did Not Submit Its FABS Files in a Timely Manner

EXIM did not submit any of its first-quarter FY 2019 monthly FABS files in a timely manner. EXIM published its October 2018 FABS file on January 31, 2019, and its November and December 2018 files on March 14, 2019. In addition, two FABS correction files were published on March 19, 2019, which included all 549 records in the Bank's first-quarter FY 2019 D2 file. The Bank did not include these correction files in its first-quarter FY 2019 certified D2 file, which was certified on March 20, 2019, and had a last modified date of March 14, 2019, rather than March 19, 2019.

FFATA states that federal awards shall be submitted to "a single searchable website, accessible by the public at no cost to access... not later than 30 days after the award of any Federal award requiring a posting."

DATA Act Information Model Schema (DAIMS) Practices and Procedures For DATA Act Broker Submissions Version 1.3.1 states: Financial Assistance Broker Submission (FABS):

"Submitting Files – To facilitate the timeliness of the data available on USAspending.gov, agencies shall make every effort to publish any available data by the 5th of each month and ensure that prior month data is publish[ed] completely no later than the 20th of the current month. If these deadlines fall on a weekend or holiday, information should be published no later than the next business day."

DAIMS version 1.3.0 (issued June 30, 2018) contained new FABS validation rules requiring the funding office and awarding office codes to be valid values from the federal hierarchy, effective October 2018 (Validation Rules 38.2 and 38.4). EXIM experienced delays in submitting its November and December FABS data while it worked with the DATA Act Broker team to obtain funding and awarding office codes that reflected that EXIM provides financial assistance.

In addition, EXIM experienced delays in submitting its October 2018 FABS data due to the lapse of government funding, which impacted the Bank's ability to access systems and websites hosted by other federal agencies.

EXIM also stated that it follows an internal policy in which financial information cannot be released publicly until the month-end general ledger has been closed. Due to year-end close procedures, EXIM does not close its September general ledger accounting period(s) until its financial statement audit is completed in mid-November. Subsequent accounting periods cannot be closed until all prior accounting periods are closed. EXIM's internal policy presents a challenge for complying with the DATA Act requirements regarding timely submission of award data.

EXIM's File D2 financial award data were not available on USAspending.gov to enable taxpayers and policy makers to track and use the federal spending information in a timely manner.

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendation

We recommend that the SAO and EXIM's DATA Act Working Group:

10. Establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282, including internal milestones to ensure that the files can be extracted, validated, and uploaded to FABS by required due dates. The policies and procedures should also address cut-off dates for submitting correcting data that ensure sufficient time for the SAO certification of quarterly DATA Act submissions, commensurate with EXIM's risk tolerance related to data accuracy, completeness, and quality.

Management's Response

Management agrees with the recommendation and stated that EXIM will establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendation. The recommendation will be closed upon completion and verification of the corrective actions.

Finding 5: EXIM Did Not Implement the Data Standards as Defined for Certain Financial Assistance Award Data

EXIM did not report its insurance policy payment limit and negative subsidy amounts in accordance with the intent of the DATA Act Standards. In addition, EXIM included insurance quotes in its financial assistance award data, rather than waiting until the quote was accepted and an insurance policy was in effect.

- The Bank reported the "policy payment limit" for its insurance policies under Data Element "Federal Action Obligation" which then is included in Data Element "Total Funding Amount". Because its insurance policies are accounted for under credit reform, the Bank does not incur an obligation for the full amount of its policy payment limit. Rather, an obligation is incurred for the subsidy associated with issuing the insurance policy.
- EXIM did not report its negative subsidy amounts in Data Element "Original Loan Subsidy Cost."

- EXIM included insurance quotes in its FABS submission, and in its certified File D2, that had not been accepted by the insurance applicant and for which a binding insurance policy was not in place.

DAIMS RSS v1.3.1, Revision Date February 8, 2019, specifies in part how to prepare the FABS file. The Domain Values worksheet defines Assistance Type 08, guaranteed/insured loan (F) as “Programs in which the Federal government makes an arrangement to identify (sic) a lender against part or all of any defaults by those responsible for repayment of loans.” It defines Assistance Type 09, insurance (G) as “Financial assistance provided to assure reimbursement for losses sustained under specified conditions. Coverage may be provided directly by the Federal government or through private carriers and may or may not involve the payment of premiums.”

The DAIMS Validation Rules Update, Rule FABS26.1, states that Federal Action Obligation must be blank or 0 for loans (Assistance Type = 07 or 08). Rule FABS 26.2 states that Federal Action Obligation is required for non-loans (i.e., when Assistance Type is not 07 or 08).

OMB and Treasury document titled *Agency FAQs [11-4-2016] - Digital Accountability and Transparency Act of 2014*, states: “... where a loan or loan guarantee is zero subsidy or negative subsidy, agencies should report the net present value of the subsidy as zero or as a negative value in the Original Subsidy Cost file on File D2. It further states: “Because Files A-C have to do with budgetary transactions and will only reflect the positive subsidy costs of new credit assistance, Federal credit awards will have more detail in File D2 than in Files A-C. In other words, more cost and award data will be reported with the D2 file information. This level of detail will provide the public transparency into the total amount of assistance provided through credit in File D2, and insight into obligations and outlays of budget authority in Files A-C. To make this distinction clear to the public, there will be explanatory language on USASpending.gov to clarify the information as displayed.”

OMB Circular A-11, Section 185, Federal Credit, defines loan guarantee as “any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, except for the insurance of deposits, shares, or other withdrawable accounts in financial institutions.” It further states, “Loan guarantee commitment means a binding agreement by a Federal agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.”

According to 31 U.S.C. § 1501, Documentary evidence requirement for Government obligations: “An amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence of –

- 1) a binding agreement between an agency and another person ...
- 2) a loan agreement showing the amount and terms of repayment”

GAO’s *Principles of Federal Appropriations Law*, Volume II, Chapter 7, Obligation of Appropriations, Section B, Criteria for Recording Obligations (31 U.S.C. § 1501) states:

“Under 31 U.S.C. § 1501(a)(2), a recordable obligation exists when there is documentary evidence of ‘a loan agreement showing the amount and terms of repayment.’ A loan agreement is essentially contractual in nature. Thus, to have a valid obligation, there must be a proposal by one party and an acceptance by another.”

EXIM provided the following explanations for its decisions to report policy payment limits, negative subsidy amounts, and insurance quotes in the manner that they were reported in File D2.

EXIM reported Assistance Type 09, “insurance (G),” for its insurance programs, which then required an obligation to be recorded for Data Element Federal Action Obligation. If it had used Assistance Type 08, the DAIMS validation rules would have precluded the policy payment limit from being recorded as a Federal Action Obligation.

Because the Bank’s financial assistance programs generally result in a zero or negative subsidy, when it reported negative subsidy in its FABS file, it appeared that EXIM was not using or reporting to USAspending.gov the bulk of its appropriation for administrative expenses. Therefore, the Bank made a decision to not report negative subsidy amounts.

EXIM’s management stated that an insurance quote is an obligation on EXIM’s part. The Bank cannot back out of the insurance quote while waiting for insured’s acceptance and cannot change any of the terms of it. In addition, management provided system screenshots that showed an applicant can accept, reject, or request an extension of a quote. If the quote is accepted, the applicant can specify a Policy Effective Date, which can be backdated up to one month prior to the current date (of quote acceptance), or longer with Credit Officer approval. Therefore, EXIM includes its quotes in File D2 and invalidates the quote if the applicant declines the quote. If a quote is invalidated, the File D2 record is updated to cancel what was previously submitted in FABS.

Noncompliance with the DATA Act Standards diminishes the usefulness and comparability of federal spending data and introduces risks associated with relying on the data for oversight and managerial decision making, or other purposes.

Recommendations, Management’s Response, and Evaluation of Management’s Response

Recommendation

We recommend that the SAO and EXIM’s Working Group:

11. Establish policies and procedures to help ensure that all data reported in FABS and included in EXIM’s certified File D2 are reported as intended by the DATA Act Standards and seek clarification from OMB and Treasury as necessary to ensure appropriate interpretation of the DATA Act Standards.

Management's Response

Management agrees with the recommendation and stated that EXIM will establish policies and procedures to help ensure that all are reported as intended by the DATA Act Standards and will seek clarification from OMB and Treasury to ensure appropriate interpretation of the DATA Act Standards.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendation. The recommendation will be closed upon completion and verification of the corrective actions.

Finding 6: EXIM Does Not Have a Complete Data Inventory to Govern Its DATA Act Activities

EXIM has not yet completed a data inventory. Although the Bank has begun to prepare a comprehensive data inventory, the document is not scheduled for completion until FY 2020.

The DATA Act Program Management Office in the Treasury's Bureau of the Fiscal Service has prepared a DATA Act Implementation Playbook Version 2.0, which contains an eight-step DATA Act implementation plan for agencies. Step 3: Perform Inventory of Agency Data and Associated Business Processes states:

After reviewing the DATA Act elements in step 2, the SAO and agency workgroup will perform and create an inventory of agency data and associated business processes. The SAO and workgroup will need to trace how DATA Act elements are used across agency business processes, systems and applications. The goal is to identify the appropriate source system to extract the needed data and understand gaps (e.g., data not captured or data that is difficult to extract). The workgroup will inventory how its elements, sources, and processes fit/link together.

Because EXIM employees do not have a data inventory to consult when preparing and reviewing the data elements included in its DATA Act submission, the Bank is at an increased risk of having accuracy and completeness errors that affect the overall quality of the data recorded in USASpending.gov.

Recommendations, Management's Response, and Evaluation of Management's Response**Recommendations**

We recommend that the SAO and EXIM's DATA Act Working Group:

12. Complete a data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.
13. Develop and implement a review process for the data inventory that the Bank will perform at regular intervals and after each DAIMS update.

Management's Response

Management agrees with the recommendations and stated that EXIM will complete a data inventory and will develop and implement a review process for the data inventory, to be performed at regular intervals and after each DAIMS update.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendations. The recommendations will be closed upon completion and verification of the corrective actions.

Finding 7: EXIM Did Not Complete a Data Quality Plan in a Timely Manner

EXIM did not comply with OMB Memorandum M-18-16's requirement that agencies complete a DQP beginning in FY 2019. The Bank prepared a DQP. However, development was not far enough along for EXIM to implement, test, and evaluate the DQP. The Bank is planning to further develop and implement its DQP in FY 2020. Because the Bank's DQP is incomplete, the Bank will not be able to consider all elements of a complete DQP when preparing its annual assurance statement in compliance with OMB Memorandum M-18-16. During our testing of the Bank's DQP, we noted that the Bank had completed the following:

- Developed short-term and long-term implementation plans related to the DQP.
- Developed a timeline/milestones for developing the DQP.
- Identified and documented the roles and responsibilities of individuals responsible for developing the DQP.
- Prepared an extensive risk assessment and documented the assessment in their DATA Act Implementation Risk Register. The Bank included portions of the risk assessment in its DQP.

The Bank's DQP was not complete. We noted that the DQP:

- Did not include a testing plan.
- Did not include the process by which the Bank will identify and assess risk related to spending data.
- Included only a partial organization structure; it did not identify the roles for each member (the data owners, reviewers, approvers and certifier). The DQP also included user groups that were not defined.
- Lacked details about some key internal control activities over financial and award data reporting. For instance, the plan omitted detailed reconciliation procedures such as a reconciliation of Files A and B, a reconciliation of Files B and C, and a reconciliation of Files A and B to the Adjusted Trial Balance. In addition, Appendix A referred to a manual review that did not identify what steps are to be performed as part of the review.

OMB Memorandum M-18-16, Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk* (June 6, 2018), states:

This memorandum includes a specific requirement for agencies to develop a Data Quality Plan to achieve the objectives of the Digital Accountability and Transparency Act (DATA Act).

Consideration of this plan must be included in agencies' existing annual assurance statement over ICOR beginning in fiscal year 2019 and continuing through the statement covering fiscal year 2021 at a minimum, or until agencies determine that they can provide reasonable assurances over the data quality controls that support achievement of the reporting objective in accordance with the DATA Act.

OMB Memorandum M-16-17, OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016), states:

The assurance statement and summary information related to Section 2 and Section 4 of the FMFIA must be provided in a single report section of the annual AFR, PAR, or other management report labeled "Analysis of Entity's Systems, Controls and Legal Compliance." The section must include the annual assurance statement, a summary of the Agency's process for assessing internal control effectiveness and resulting material weaknesses and corrective action plans as of September 30 of a given fiscal year.

EXIM began developing a DQP but was not able to hire a resource with the requisite expertise to create and execute a formal data governance program during FY 2019, due to other resource constraints and competing priorities. Accordingly, EXIM scheduled completion of its DQP for FY 2020.

Noncompliance with this requirement increases the risk that data reported under the DATA Act will be less accurate, incomplete, not timely, and of less quality.

Recommendations, Management's Response, and Evaluation of Management's Response

Recommendation

We recommend that the SAO and EXIM's Working Group:

14. Develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to:
 - Organizational structure and key processes providing internal control activities for spending reporting.
 - Management's responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123.
 - EXIM's testing plan and identification of high-risk reported data, including (1) specific data that the Bank determines to be high-risk that are explicitly

referenced by the DATA Act and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system and are reported with plain English award descriptions.

- Actions taken to manage identified risks.

Management's Response

Management agrees with the recommendation and stated that EXIM will develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to the aspects listed in the recommendation above.

Auditors' Evaluation of Management's Response

EXIM's proposed corrective actions are responsive to the recommendation. The recommendation will be closed upon completion and verification of the corrective actions.

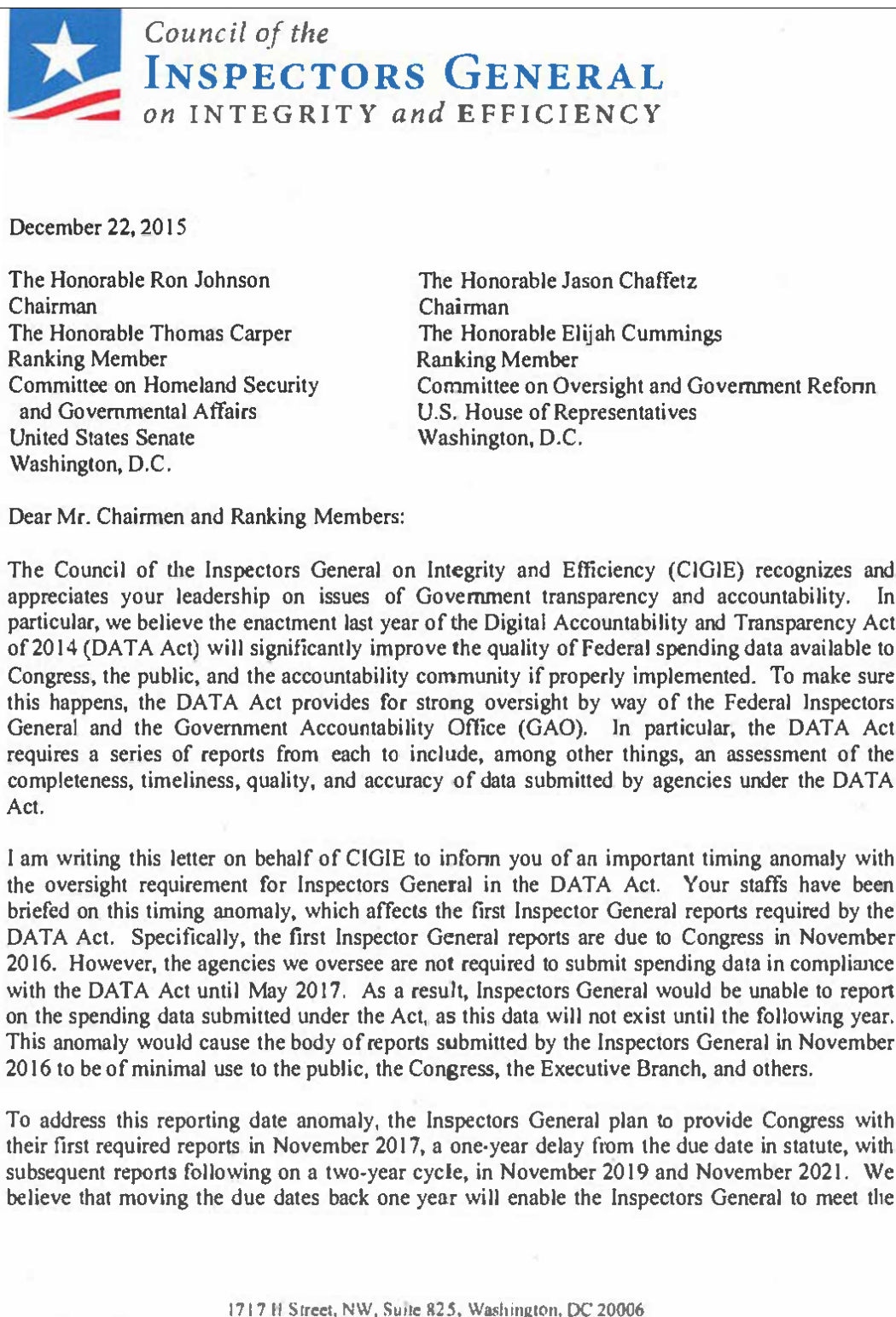
CONCLUSION

The Bank's processes for implementing the DATA Act requirements have improved since the last DATA Act audit, covering the second quarter of FY 2017, although its processes are still maturing. We determined that EXIM submitted and certified its first quarter of FY 2019 DATA Act files on time. However, the Bank's File A was not accurate because it included amounts for canceled authority, and File B contained one error and did not include an appropriate object class and program activity code for every record. We also determined that EXIM's procurement and financial assistance award data were not always accurate and complete, and that the Bank did not submit its monthly FABS data files in a timely manner. The overall accuracy and completeness of the Bank's data improved since the prior DATA Act audit; we determined that the first quarter of FY 2019's data was of higher quality, as the error rates were less than 20 percent. However, we also determined that EXIM is not using certain data standards as intended by the DATA Act Working Group, and that the Bank had not yet completed its DQP and a data inventory.

The Bank continues to have opportunities to improve the overall quality of its quarterly procurement and financial assistance award data, and to strengthen its internal control processes and procedures to ensure compliance with the DATA Act standards and requirements. We made 14 recommendations, as discussed in the findings and recommendations in this report. These recommendations, if implemented, should help improve the Bank's implementation and use of government-wide financial data standards established by OMB and Treasury, as well as the accuracy, completeness, timeliness, and quality of the Bank's financial and award data submitted for publication on USASpending.gov.

Appendixes

Appendix A: CIGIE'S DATA Act Anomaly Letter



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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

Appendix B: Sample Testing Results with Related Statistical Projections

Figure 8: Characteristics Tested, Population, Sample, Projected Error Rates, and Projected Errors

Characteristic	Population			Sample			Projected Error Rates			Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	Weighted Projected Error Rate	Weighted Lower-Limit Error Rate	Weighted Upper-Limit Error Rate	Projected Errors	Lower Error Limit	Upper Error Limit
Accuracy	99	548	647	59	111	170	6.66%	3.81%	11.09%	43	25	72
Completeness	99	548	647	59	111	170	2.87%	.90%	6.92%	19	6	45
Timeliness	99	548	647	59	111	170	0.00%	0.00%	0.00%	0	0	0

Note: Projected error rates represent point estimates; lower and upper limits of error rates represent the minimum and maximum possible error rate at the 95 percent confidence level.

Figure 9: File D1 Test Results

Record No.	No. of Data Elements Tested	File D1					
		Incomplete		Inaccurate		Untimely	
		Count	Percentage	Count	Percentage	Count	Percentage
1	38	0	0.00%	4	10.53%	0	0.00%
2	35	0	0.00%	3	8.57%	0	0.00%
3	39	0	0.00%	3	7.69%	0	0.00%
4	34	0	0.00%	1	2.94%	0	0.00%
5	34	0	0.00%	3	8.82%	0	0.00%
6	39	0	0.00%	7	17.95%	0	0.00%
7	39	0	0.00%	4	10.26%	0	0.00%
8	38	0	0.00%	3	7.89%	0	0.00%
9	38	0	0.00%	7	18.42%	0	0.00%
10	34	0	0.00%	3	8.82%	0	0.00%
11	35	0	0.00%	1	2.86%	0	0.00%
12	37	0	0.00%	6	16.22%	0	0.00%
13	39	0	0.00%	3	7.69%	0	0.00%
14	39	0	0.00%	5	12.82%	0	0.00%
15	39	0	0.00%	5	12.82%	0	0.00%
16	35	0	0.00%	5	14.29%	0	0.00%

File D1							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely	
		Count	Percentage	Count	Percentage	Count	Percentage
17	35	0	0.00%	3	8.57%	0	0.00%
18	35	0	0.00%	2	5.71%	0	0.00%
19	39	0	0.00%	3	7.69%	0	0.00%
20	38	0	0.00%	2	5.26%	0	0.00%
21	38	0	0.00%	6	15.79%	0	0.00%
22	36	0	0.00%	9	25.00%	0	0.00%
23	35	0	0.00%	6	17.14%	0	0.00%
24	39	0	0.00%	5	12.82%	0	0.00%
25	39	0	0.00%	10	25.64%	0	0.00%
26	39	0	0.00%	3	7.69%	0	0.00%
27	39	0	0.00%	5	12.82%	0	0.00%
28	35	0	0.00%	2	5.71%	0	0.00%
29	35	0	0.00%	3	8.57%	0	0.00%
30	34	0	0.00%	1	2.94%	0	0.00%
31	36	0	0.00%	7	19.44%	0	0.00%
32	38	0	0.00%	3	7.89%	0	0.00%
33	39	0	0.00%	7	17.95%	0	0.00%
34	38	0	0.00%	7	18.42%	0	0.00%
35	39	0	0.00%	3	7.69%	0	0.00%
36	38	0	0.00%	7	18.42%	0	0.00%
37	38	0	0.00%	6	15.79%	0	0.00%
38	39	0	0.00%	4	10.26%	0	0.00%
39	40	0	0.00%	4	10.00%	0	0.00%
40	38	0	0.00%	4	10.53%	0	0.00%
41	38	0	0.00%	5	13.16%	0	0.00%
42	38	0	0.00%	8	21.05%	0	0.00%
43	37	0	0.00%	1	2.70%	0	0.00%
44	38	0	0.00%	4	10.53%	0	0.00%
45	38	0	0.00%	7	18.42%	0	0.00%
46	35	0	0.00%	5	14.29%	0	0.00%
47	38	0	0.00%	6	15.79%	0	0.00%
48	35	0	0.00%	5	14.29%	0	0.00%
49	36	2	5.41%	7	18.92%	0	0.00%
50	39	0	0.00%	5	12.82%	0	0.00%
51	39	0	0.00%	4	10.26%	0	0.00%

File D1							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely	
		Count	Percentage	Count	Percentage	Count	Percentage
52	39	0	0.00%	3	7.69%	0	0.00%
53	39	0	0.00%	7	17.95%	0	0.00%
54	39	0	0.00%	3	7.69%	0	0.00%
55	35	0	0.00%	3	8.57%	0	0.00%
56	38	0	0.00%	4	10.53%	0	0.00%
57	36	2	5.41%	9	24.32%	0	0.00%
58	39	0	0.00%	7	17.95%	0	0.00%
59	38	0	0.00%	4	10.53%	0	0.00%
Total Errors/Average Error Rate		<u>4</u>	<u>0.18%</u>	<u>272</u>	<u>12.27%</u>	<u>0</u>	<u>0.00%</u>

Figure 10: File D2 Test Results

File D2							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely ¹⁰	
		Count	Percentage	Count	Percentage	Count	Percentage
60	39	0	0.00%	3	7.69%	0	0.00%
61	37	0	0.00%	0	0.00%	0	0.00%
62	37	0	0.00%	0	0.00%	0	0.00%
63	37	0	0.00%	0	0.00%	0	0.00%
64	37	0	0.00%	0	0.00%	0	0.00%
65	37	0	0.00%	0	0.00%	0	0.00%
66	37	0	0.00%	0	0.00%	0	0.00%
67	37	0	0.00%	0	0.00%	0	0.00%
68	39	0	0.00%	3	7.69%	0	0.00%
69	37	0	0.00%	0	0.00%	0	0.00%
70	37	0	0.00%	0	0.00%	0	0.00%
71	37	0	0.00%	1	2.70%	0	0.00%
72	34	0	0.00%	2	5.88%	0	0.00%
73	37	0	0.00%	0	0.00%	0	0.00%
74	37	0	0.00%	0	0.00%	0	0.00%
75	37	0	0.00%	0	0.00%	0	0.00%

File D2							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely ¹⁰	
		Count	Percentage	Count	Percentage	Count	Percentage
76	37	0	0.00%	1	2.7%	0	0.00%
77	37	0	0.00%	4	10.81%	0	0.00%
78	37	0	0.00%	0	0.00%	0	0.00%
79	37	0	0.00%	4	10.81%	0	0.00%
80	37	0	0.00%	0	0.00%	0	0.00%
81	37	0	0.00%	0	0.00%	0	0.00%
82	37	0	0.00%	0	0.00%	0	0.00%
83	37	0	0.00%	0	0.00%	0	0.00%
84	38	0	0.00%	0	0.00%	0	0.00%
85	37	0	0.00%	0	0.00%	0	0.00%
86	37	0	0.00%	1	2.70%	0	0.00%
87	37	0	0.00%	0	0.00%	0	0.00%
88	37	0	0.00%	3	8.11%	0	0.00%
89	37	0	0.00%	1	2.70%	0	0.00%
90	37	0	0.00%	0	0.00%	0	0.00%
91	39	0	0.00%	2	5.13%	0	0.00%
92	37	0	0.00%	0	0.00%	0	0.00%
93	39	0	0.00%	0	0.00%	0	0.00%
94	37	0	0.00%	0	0.00%	0	0.00%
95	37	0	0.00%	0	0.00%	0	0.00%
96	37	0	0.00%	0	0.00%	0	0.00%
97	38	0	0.00%	0	0.00%	0	0.00%
98	37	0	0.00%	2	5.41%	0	0.00%
99	37	0	0.00%	0	0.00%	0	0.00%
100	37	0	0.00%	0	0.00%	0	0.00%
101	37	0	0.00%	0	0.00%	0	0.00%
102	37	0	0.00%	0	0.00%	0	0.00%
103	37	0	0.00%	2	5.41%	0	0.00%
104	37	0	0.00%	0	0.00%	0	0.00%
105	37	0	0.00%	2	5.41%	0	0.00%
106	37	0	0.00%	0	0.00%	0	0.00%
107	37	0	0.00%	0	0.00%	0	0.00%
108	37	0	0.00%	2	5.41%	0	0.00%
109	37	0	0.00%	0	0.00%	0	0.00%
110	37	0	0.00%	0	0.00%	0	0.00%

File D2							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely ¹⁰	
		Count	Percentage	Count	Percentage	Count	Percentage
111	37	0	0.00%	0	0.00%	0	0.00%
112	37	0	0.00%	2	5.41%	0	0.00%
113	37	0	0.00%	2	5.41%	0	0.00%
114	37	0	0.00%	0	0.00%	0	0.00%
115	37	0	0.00%	0	0.00%	0	0.00%
116	37	0	0.00%	0	0.00%	0	0.00%
117	37	0	0.00%	3	8.11%	0	0.00%
118	37	0	0.00%	2	5.41%	0	0.00%
119	37	0	0.00%	1	2.70%	0	0.00%
120	37	0	0.00%	2	5.41%	0	0.00%
121	37	0	0.00%	2	5.41%	0	0.00%
122	37	0	0.00%	4	10.81%	0	0.00%
123	37	0	0.00%	0	0.00%	0	0.00%
124	37	0	0.00%	3	8.11%	0	0.00%
125	37	0	0.00%	2	5.41%	0	0.00%
126	37	0	0.00%	2	5.41%	0	0.00%
127	38	0	0.00%	0	0.00%	0	0.00%
128	37	0	0.00%	0	0.00%	0	0.00%
129	39	0	0.00%	1	2.56%	0	0.00%
130	37	0	0.00%	0	0.00%	0	0.00%
131	37	0	0.00%	1	2.70%	0	0.00%
132	37	0	0.00%	1	2.70%	0	0.00%
133	39	0	0.00%	3	7.69%	0	0.00%
134	37	0	0.00%	0	0.00%	0	0.00%
135	39	0	0.00%	1	2.56%	0	0.00%
136	37	4	10.81%	4	10.81%	0	0.00%
137	37	4	10.81%	6	16.22%	0	0.00%
138	39	4	10.26%	4	10.26%	0	0.00%
139	37	4	10.81%	4	10.81%	0	0.00%
140	37	4	10.81%	4	10.81%	0	0.00%
141	37	4	10.81%	4	10.81%	0	0.00%
142	37	4	10.81%	4	10.81%	0	0.00%
143	37	4	10.81%	6	16.22%	0	0.00%
144	37	4	10.81%	4	10.81%	0	0.00%
145	37	4	10.81%	5	13.51%	0	0.00%

File D2							
Record No.	No. of Data Elements Tested	Incomplete		Inaccurate		Untimely ¹⁰	
		Count	Percentage	Count	Percentage	Count	Percentage
146	37	4	10.81%	4	10.81%	0	0.00%
147	37	4	10.81%	5	13.51%	0	0.00%
148	37	4	10.81%	4	10.81%	0	0.00%
149	37	4	10.81%	4	10.81%	0	0.00%
150	37	4	10.81%	4	10.81%	0	0.00%
151	39	4	10.26%	8	20.51%	0	0.00%
152	37	4	10.81%	4	10.81%	0	0.00%
153	37	4	10.81%	6	16.22%	0	0.00%
154	37	4	10.81%	4	10.81%	0	0.00%
155	37	4	10.81%	6	16.22%	0	0.00%
156	39	4	10.26%	4	10.26%	0	0.00%
157	38	4	10.53%	6	15.79%	0	0.00%
158	39	4	10.26%	4	10.26%	0	0.00%
159	39	4	10.26%	4	10.26%	0	0.00%
160	39	4	10.26%	4	10.26%	0	0.00%
161	37	4	10.81%	6	16.22%	0	0.00%
162	39	4	10.26%	7	17.95%	0	0.00%
163	37	4	10.81%	4	10.81%	0	0.00%
164	39	4	10.26%	7	17.95%	0	0.00%
165	37	4	10.81%	6	16.22%	0	0.00%
166	37	4	10.81%	6	16.22%	0	0.00%
167	37	4	10.81%	4	10.81%	0	0.00%
168	37	4	10.81%	4	10.81%	0	0.00%
169	37	4	10.81%	6	16.22%	0	0.00%
170	39	4	10.26%	4	10.26%	0	0.00%
Total Errors/Average Error Rate		<u>140</u>	<u>3.36%</u>	<u>235</u>	<u>5.65%</u>	<u>0</u>	<u>0.00%</u>

Figure 11: Data Elements Tested, Errors, Projected Error Rates, and Lower- and Upper-Limit Error Rates

Data Element Number	Data Elements Tested	Characteristic ¹⁸	Population			Sample ¹⁶			Errors ¹⁷			D1 (Stratum 1) Projected Error Rates	D2 (Stratum 2) Projected Error Rates	Weighted Projected Error Rates	Weighted Lower-Limit Error Rates	Weighted Upper-Limit Error Rates
			File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					
1	Awardee/Recipient Legal Entity Name ¹²	Accuracy	99	548	647	59	111	170	11	0	11	18.64%	0.00%	2.85%	2.01%	4.02%
2	Awardee/Recipient Unique Identifier	Accuracy	99	548	647	59	111	170	10	0	10	16.95%	0.00%	2.85%	2.01%	4.02%
3	Ultimate Parent Unique Identifier ^{12,14}	Accuracy and Completeness	99	548	647	59	16	75	14	1	15	23.73%	6.25%	8.92%	3.68%	28.85%
4	Ultimate Parent Legal Entity Name ^{12,14}	Accuracy and Completeness	99	548	647	59	16	75	18	2	20	30.51%	12.50%	15.26%	5.99%	36.86%
5	Legal Entity Address ^{12,13,14}	Accuracy and	99	548	647	59	110	169	31	14	45	52.54%	12.73%	18.82%	14.35%	24.71%
6	Legal Entity Congressional District ¹³	Accuracy	99	548	647	41	110	151	2	0	2	4.88%	0.00%	0.75%	0.31%	2.01%
7	Legal Entity Country Code ¹²	Accuracy	99	548	647	59	111	170	2	0	2	3.39%	0.00%	.52%	0.31%	1.24%
8	Legal Entity Country Name ^{12,14}	Accuracy	99	548	647	59	111	170	2	0	2	3.39%	0.00%	.52%	0.31%	1.24%
11	Federal Action Obligation	Accuracy	99	548	647	59	111	170	3	30	33	5.08%	27.03%	23.67%	17.62%	30.65%
12	Non-Federal Funding Amount		n/a	548	548	n/a	111	111	n/a	0	0	n/a	0.00%	0.00%	0.00%	0.00%
13	Amount of Award/Total Funding Amount ¹⁴	Accuracy	n/a	548	548	n/a	111	111	n/a	30	30	n/a	27.03%	27.03%	19.89%	35.22%
14	Current Total Value of Award ¹⁵	Accuracy	99	548	647	59	5	64	10	0	10	16.95%	0.00%	2.59%	1.85%	3.71%
15	Potential Total Value of Award ^{13,15}	Accuracy	99	n/a	99	59	n/a	59	20	n/a	20	33.90%	n/a	33.90%	26.26%	42.43%
16	Award Type ¹⁴	Accuracy	99	548	647	59	111	170	35	0	35	59.32%	0.00%	9.08%	7.73%	10.20%

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Data Element Number	Data Elements Tested	Characteristic ¹⁸	Population			Sample ¹⁶			Errors ¹⁷			D1 (Stratum 1) Projected Error Rates	D2 (Stratum 2) Projected Error Rates	Weighted Projected Error Rates	Weighted Lower-Limit Error Rates	Weighted Upper-Limit Error Rates
			File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					
17	NAICS Code	Accuracy	99	n/a	99	59	n/a	59	1	n/a	1	1.69%	n/a	1.70%	1.01%	6.06%
18	NAICS Description ¹²	Accuracy	99	n/a	99	59	n/a	59	1	n/a	1	1.69%	n/a	1.70%	1.01%	6.06%
19	Catalog of Federal Domestic Assistance (CFDA) Number		n/a	548	548	n/a	111	111	n/a	0	0	n/a	0.00%	0.00%	0.00%	0.00%
20	CFDA Title ¹⁴		n/a	548	548	n/a	111	111	n/a	0	0	n/a	0.00%	0.00%	0.00%	0.00%
22	Award Description	Accuracy	99	548	647	59	111	170	9	0	9	15.25%	0.00%	2.33%	1.54%	3.40%
23	Award Modification/ Amendment Number	Accuracy	99	548	647	59	111	170	0	1	1	0.00%	0.90%	.76%	.15%	3.71%
24	Parent Award Identification (ID) Number		99	n/a	99	22	n/a	22	0	n/a	0	0.00%	n/a	0.00%	0.00%	0.00%
25	Action Date	Accuracy	99	548	647	59	111	170	1	5	6	1.69%	4.50%	4.07%	1.79%	8.35%
26	Period of Performance Start Date	Accuracy	99	548	647	59	111	170	43	6	49	72.88%	5.41%	15.73%	12.87%	20.40%
27	Period of Performance Current End Date	Accuracy	99	548	647	59	111	170	27	5	32	45.76%	4.50%	10.82%	8.21%	15.25%
28	Period of Performance Potential End Date	Accuracy	99	n/a	99	59	n/a	59	12	n/a	12	20.34%	n/a	20.34%	14.14%	28.28%
29	Ordering Period End Date	Accuracy	99	n/a	99	1	n/a	1	1	n/a	1	100.00%	n/a	100.00%	3.03%	100.00%
30	Primary Place of Performance Address ^{13,14}	Accuracy	99	548	647	42	110	152	16	0	16	38.10%	0.00%	5.83%	4.17%	7.73%
31	Primary Place of Performance Congressional		99	548	647	42	110	152	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%

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Data Element Number	Data Elements Tested	Characteristic ¹⁸	Population			Sample ¹⁶			Errors ¹⁷			D1 (Stratum 1) Projected Error Rates	D2 (Stratum 2) Projected Error Rates	Weighted Projected Error Rates	Weighted Lower-Limit Error Rates	Weighted Upper-Limit Error Rates
			File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					
	District ¹³															
32	Primary Place of Performance Country Code		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
33	Primary Place of Performance Country Name ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
34	Award ID Number		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
35	Record Type ¹⁴		n/a	548	548	n/a	111	111	n/a	0	0	n/a	0.00%	0.00%	0.00%	0.00%
36	Action Type ¹⁴	Accuracy	99	548	647	53	111	164	3	1	4	5.66%	.90%	1.63%	.90%	4.74%
37	Business Types ¹⁴		n/a	548	548	n/a	111	111	n/a	0	0	n/a	0.00%	0.00%	0.00%	0.00%
38	Funding Agency Name ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
39	Funding Agency Code ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
40	Funding Sub-Tier Agency Name ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
41	Funding Sub-Tier Agency Code		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
42	Funding Office Name ^{13,14}	Completeness & Accuracy	99	548	647	59	111	170	0	35	35	0.00%	31.53%	26.71%	20.25%	33.85%
43	Funding Office Code	Completeness & Accuracy	99	548	647	59	111	170	0	35	35	0.00%	31.53%	26.71%	20.25%	33.85%
44	Awarding Agency Name ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
45	Awarding Agency Code ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
46	Awarding Sub-Tier Agency Name ^{13,14}		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
47	Awarding Sub-Tier Agency Code		99	548	647	59	111	170	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%
48	Awarding Office Name ^{13,14}	Completeness & Accuracy	99	548	647	59	111	170	0	35	35	0.00%	31.53%	26.71%	20.25%	33.85%

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Data Element Number	Data Elements Tested	Characteristic ¹⁸	Population			Sample ¹⁶			Errors ¹⁷			D1 (Stratum 1) Projected Error Rates	D2 (Stratum 2) Projected Error Rates	Weighted Projected Error Rates	Weighted Lower-Limit Error Rates	Weighted Upper-Limit Error Rates
			File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					
49	Awarding Office Code	Completeness & Accuracy	<u>99</u>	<u>548</u>	<u>647</u>	<u>59</u>	<u>111</u>	<u>170</u>	<u>0</u>	<u>35</u>	<u>35</u>	0.00%	31.53%	26.71%	20.25%	33.85%
	Total Data Elements Tested		<u>3,960</u>	<u>21,920</u>	<u>25,880</u>	<u>2,207</u>	<u>4,152</u>	<u>6,359</u>	<u>272</u>	<u>235</u>	<u>507</u>					

¹² For procurement awards, the data element is derived by an external system (typically SAM.gov) based upon the DUNS provided by the Bank.

¹³ For procurement awards, the data element is derived by an external system (typically FPDS-NG) based upon data provided by the Bank.

¹⁴ For financial assistance awards, the data element is derived by an external system (typically FABS) based upon data provided by the Bank.

¹⁵ Data from the (1) Current Total Value of Award and (2) Potential Total Value of Award elements are extracted by the Treasury DATA Act Broker from the following FPDS-NG fields, respectively: (1) base and exercised options value and (2) base and all options value. These two fields are categorized in FPDS-NG under two columns for data entry labeled “Current” and “Total.” The “Current” column contains amounts entered into FPDS-NG by the Bank. The “Total” column contains cumulative amounts computed by FPDS-NG based on the modification amounts entered into FPDS-NG by the Bank.

¹⁶ The Bank did not always report optional data elements and not all data elements were applicable to every record tested. We calculated the sample size for each data element based on the number of records to which the data element applied. If we determined that a data element did not apply for a record, we excluded that record from the sample count. We therefore computed the error rates using the number of errors identified divided by the number of records to which the data element applied and could be tested.

¹⁷ Errors are presented by data element, not by record. One record may contain multiple data elements with errors.

¹⁸ Characteristic is only presented if the data element contained at least one error.

Note: Projected error rates represent point estimates; lower and upper limits of error rates represent the minimum and maximum possible error rate at the 95 percent confidence level.

Appendix C: Management's Response



Reducing Risk. Unleashing Opportunity.

November 4, 2019

Jennifer Fain
Acting Inspector General
Office of the Inspector General
Export-Import Bank of the United States
811 Vermont Avenue, NW
Washington, DC 20571

Dear Ms. Fain,

Thank you for providing the Export-Import Bank of the United States (“EXIM Bank” or “the Bank”) management with the Office of the Inspector General’s (“OIG”) audit report on “EXIM’s DATA Act Submission”, OIG-AR-20-xx, dated October 21, 2019, (the “DATA Act audit report”). Management continues to support the OIG’s work which complements the Bank’s efforts to continually improve its processes. EXIM Bank is proud of the strong and cooperative relationship it has with the OIG.

EXIM Bank appreciates the OIG’s conclusion that “the Bank’s processes for implementing the DATA Act requirements have improved since the Bank’s audit of the financial and award data submission as of the second quarter of FY 2017.”

Additionally, EXIM values the OIG’s determination that “based on the results of our detailed tests of data elements for a statistically valid sample, we assessed the quality of EXIM’s data to be of higher quality.” According to The Council of the Inspectors General on Integrity and Efficiency (CIGIE), Federal Audit Executive Council’s (FAEC’s) Inspectors General Guide to Compliance under the DATA Act (OIG-CA-19-012), there are three data quality levels: higher, moderate and lower. EXIM’s data quality was deemed to be in the best quality level of three.

Also, EXIM appreciates the OIG noting that EXIM “submitted and certified its first-quarter FY 2019 DATA Act files by the submission due date.”

The Bank continuously strives to improve its policies and practices and agrees to all 14 OIG recommendations issued in the DATA Act audit report. Additionally, as of the issuance date of this report, EXIM Organization structure has been realigned and the Office of Acquisitions and Business Services is no longer part of the Office of Chief Financial Officer (OCFO) and it is now part of the Office of Resource Management.

Recommendation 1: that the OCFO revise the internal control activities around Files A, B, and C to ensure that the Bank performs accurate and appropriately designed validations and reconciliations before the Senior Accountable Official (SAO) submits and certifies the Bank’s quarterly DATA Act submissions. Procedures should ensure that the reconciliations use all amounts shown in each file and that personnel itemize all reconciling items and identify corrective actions. Once the Bank has completed the corrective actions, it should re-perform the reconciliations until all reconciling items are resolved or no further action is required.

Management response: Management agrees with the recommendation. EXIM will revise the internal control activities around Files A, B, and C to ensure that EXIM performs accurate and appropriately designed validations and reconciliations before the SAO submits and certifies EXIM's quarterly DATA Act submissions.

Recommendation 2: that the OCFO design, document, and implement a formalized document signoff process that includes the names of the preparer and the reviewers and the dates that the preparer and reviewers completed and approved the internal control activities (i.e., the reconciliations) so the Bank can perform proper monitoring of the control procedures in conjunction with each DATA Act submission.

Management response: Management agrees with the recommendation. To ensure that EXIM can perform proper monitoring of the control procedures in conjunction with each DATA Act submission, EXIM will design, document, and implement a formalized document signoff process that includes the names of the preparer and the reviewers and the dates that the preparer and reviewers completed and approved the internal control activities.

Recommendation 3: that the SAO, in coordination with the OCFO develop, document, and implement a policy requiring that all journal vouchers that adjust obligated balances include object classes and program activity codes.

Management response: Management agrees with the recommendation. EXIM will develop a process to require that adjustments to obligated balances include object classes and program activity codes.

As of Q3 of FY 2019, EXIM has implemented changes to start correcting the transaction data. Such changes require research of prior years' data and involvement of IT technical team in order to make necessary system changes. Additionally, at the end of FY 2019, OCFO implemented a system change to further address 000 object classes. EXIM will continue to further improve the data reported over the next reporting cycles.

Recommendation 4: that the SAO, in coordination with the OCFO review the Bank's current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG.

Management response: Management agrees with the recommendation. EXIM's OCFO will work in conjunction with the Office of Resource Management and SAO to review EXIM's current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG. As noted above, as of Q3 of FY 2019, EXIM has implemented changes to start correcting the transaction data.

Recommendation 5: that the SAO, in coordination with the OCFO develop and document a corrective action plan to assure that the Bank accurately and completely reports object classes and program activity codes in all financial and award data submissions (Files B and C). The corrective action plan should document EXIM's root-cause analysis, steps required to correct missing object classes in financial and award data submissions, and the planned timeline.

Management response: Management agrees with the recommendation. EXIM will develop and document a corrective action plan to assure that EXIM accurately and completely reports object classes and program activity codes in all financial and award data submissions (Files B and C).

Recommendation 6: that the SAO and EXIM's Working Group determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D1 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in Comprizon and FPDS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.

Management response: Management agrees with the recommendation. EXIM will determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D1 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in Comprizon and FPDS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.

Recommendation 7: that the SAO and EXIM's Working Group determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D2 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in FABS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.

Management response: Management agrees with the recommendation. EXIM will determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D2 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in FABS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.

Recommendation 8: that the SAO and EXIM's Working Group improve the design of its review of the procurement and financial assistance award data in FPDS and FABS by reviewing additional data elements and performing more comprehensive reviews.

Management response: Management agrees with the recommendation. EXIM will improve the design of its review of the procurement and financial assistance award data in FPDS and FABS by reviewing additional data elements and performing more comprehensive reviews.

Recommendation 9: that the SAO and EXIM's Working Group design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the quarterly DATA Act submissions, and a process for notifying the DATA Broker of any errors identified in data derived by the DATA Broker. Review procedures should include steps for documenting any errors or concerns identified, including any necessary corrective actions.

Management response: Management agrees with the recommendation. EXIM will design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the quarterly DATA Act submissions, and a process for notifying the DATA Broker of any errors identified in data derived by the DATA Broker.

Recommendation 10: that the SAO and EXIM's DATA Act Working Group establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282, including internal milestones to ensure that the files can be extracted, validated, and uploaded to FABS by required due dates. The policies and procedures should also address cut-off dates for submitting correcting data that ensure sufficient time for the SAO certification of quarterly DATA Act submissions, commensurate with EXIM's risk tolerance related to data accuracy, completeness, and quality.

Management response: Management agrees with the recommendation. EXIM will establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282.

Recommendation 11: that the SAO and EXIM's Working Group establish policies and procedures to help ensure that all data reported in FABS and included in EXIM's certified File D2 are reported as intended by the DATA Act Standards and seek clarification from OMB and Treasury as necessary to ensure appropriate interpretation of the DATA Act Standards.

Management response: Management agrees with the recommendation. EXIM will establish policies and procedures to help ensure that all data reported in FABS and included in EXIM's certified File D2 are reported as intended by the DATA Act Standards and seek clarification from OMB and Treasury as necessary to ensure appropriate interpretation of the DATA Act Standards.

Recommendation 12: that the SAO and EXIM's DATA Act Working Group complete a data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.

Management response: Management agrees with the recommendation. EXIM will complete a data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.

Recommendation 13: that the SAO and EXIM's DATA Act Working Group develop and implement a review process for the data inventory that the Bank will perform at regular intervals and after each DATA Act Information Model Schema (DAIMS) update.

Management response: Management agrees with the recommendation. EXIM will develop and implement a review process for the data inventory that EXIM will perform at regular intervals and after each DAIMS update.

Recommendation 14: that the SAO and EXIM's DATA Act Working Group develop, test, and implement a Data Quality Plan (DQP) that covers significant milestones and major decisions pertaining to:

- Organizational structure and key processes providing internal control activities for spending reporting.
- Management's responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123.
- EXIM's testing plan and identification of high-risk reported data, including (1) specific data that the Bank determines to be high-risk that are explicitly referenced by the DATA Act and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system and are reported with plain English award descriptions.
- Actions taken to manage identified risks.

Management response: Management agrees with the recommendation. EXIM will develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to the aspects listed in the recommendation above.

We thank the OIG for your efforts to ensure EXIM's policies and procedures continue to improve, as well as the work you do with us to protect EXIM funds from fraud, waste, and abuse. We look forward to strengthening our working relationship and continuing to work closely with the Office of the Inspector General.

Sincerely,



Adam Martinez
Chief Management Officer
Export-Import Bank of the United States

Appendix D: Distribution List

Kimberly Reed, President and Chairman
David Fogel, Senior Vice President and Chief of Staff
Adam Martinez, Chief Management Officer
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Stephen Renna, Chief Banking Officer
Kenneth Tinsley, Senior Vice President and Chief Risk Officer
Mary Jean Buhler, Chief Financial Officer
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