HHS-OIG
Data Quality Reviews

September 24, 2009

Agenda

1. Phase I – Assess Agency Process
2. HHS Recipient Reporting
3. Phase II – Test Agency Process
4. Phase III – Validate Recipient Data

Phase I – Assess Agency Process

- RAT Board Working Group
  - **Established**: August 6, 2009
  - **Purpose**: to develop a data quality review guide for the IG community
  - **Objective of review guide**: to assess the process Federal agencies have established to perform limited data quality reviews intended to identify material omissions and/or significant reporting errors
  - **Goal**: complete work prior to October 2009
  - **Review guide approved**: September 11, 2009
  - **Participating OIGs**: HHS, NEA, USDA

Phase I – Assess Agency Process

- Criteria
  - Recovery Act, Subtitle A, Transparency & Oversight Requirements, Section 1512, Reports on Use of Funds
  - OMB M-09-21, Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009 (June 2009)

Phase I – Assess Agency Process

- Obtain the Federal agency's policy and procedures for reviewing quarterly Recovery Act data pursuant to OMB Memorandum M-09-21

- Determine how the agency plans to ensure that all prime recipients have filed the required quarterly reports pursuant to section 1512 of the Recovery Act and how the agency will ensure that it conducts the required reviews of the reported data

- Conduct a walk-through of the agency's process to perform limited data quality reviews

Phase I – Assess Agency Process

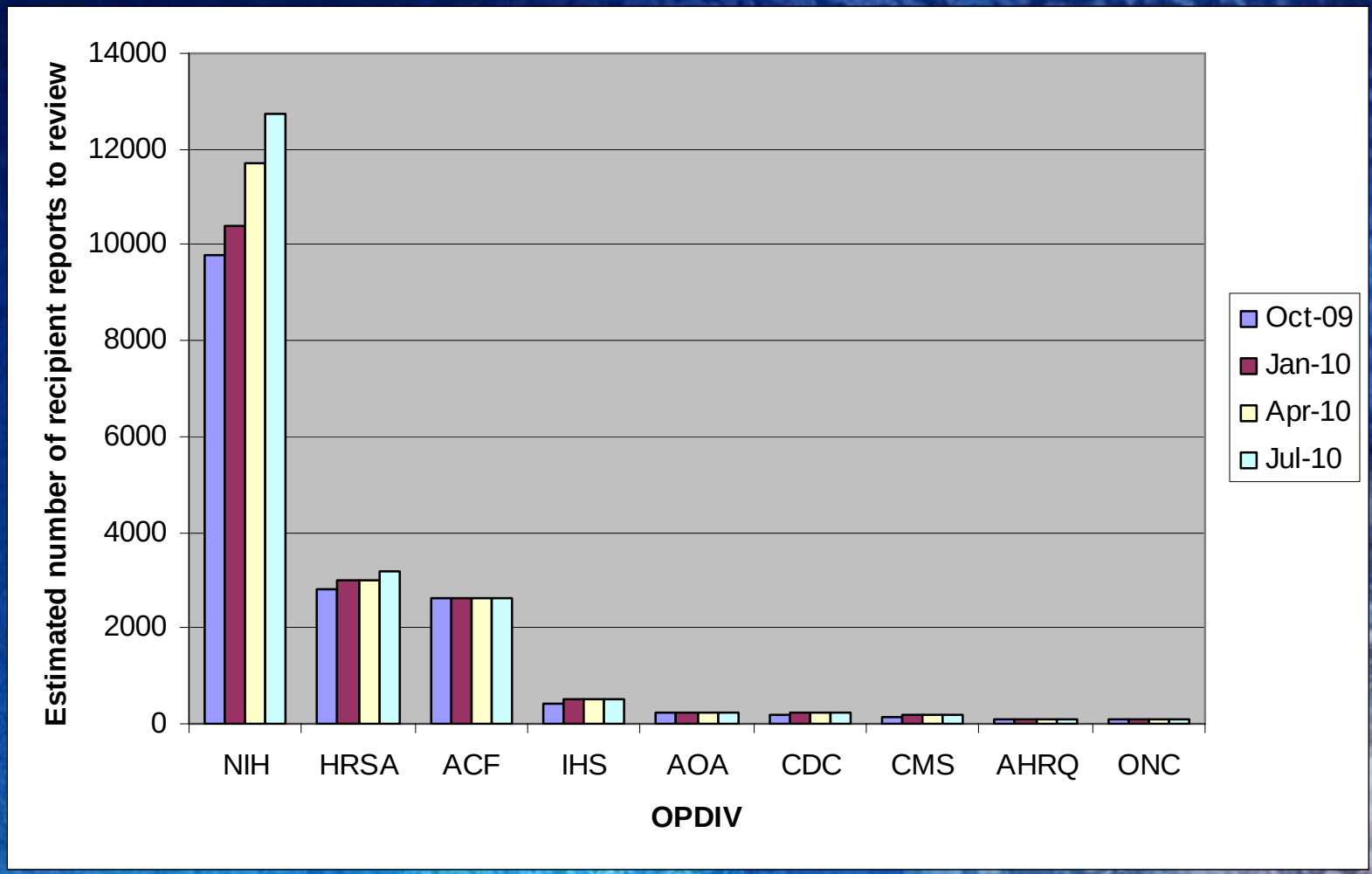
- Determine whether the agency's policy and procedures have been designed to emphasize the avoidance of two key data problems: material omissions and significant reporting errors
- Determine whether the agency has an adequate process in place to remediate systemic or chronic reporting problems
- With the understanding that M-09-21 is a reporting tool rather than a management tool, determine whether the agency anticipates that it will be able to use the reported information as a tool for:
  - assessing compliance with the terms and conditions of award agreements,
  - assessing risk, and
  - determining when to release remaining funds.

Phase I – Assess Agency Process

HHS Recipient Reporting

- Data quality review objectives:
  - To perform limited data quality reviews intended to identify material omissions and/or significant reporting errors
  - To notify the recipient of the need to make appropriate and timely changes
  - To develop internal policies and procedures for reviewing reported data

HHS Recipient Reporting



HHS Recipient Reporting

- Office for Recovery Act Coordination (ORAC)
  - Roles & Responsibilities
    - Identify and address issues within the recipient reporting process
    - Communicate regularly with stakeholders (OMB, HHS, OPDIVs, states)
    - Provide guidance to OPDIVs, including common standards for identifying errors
    - Provide supplemental guidance based on lessons learned

HHS Recipient Reporting

- NIH & ACF Grants Centers of Excellence
  - Roles & Responsibilities
    - Download recipient reporting data from FederalReporting.gov for each HHS OPDIV
    - Perform automated data quality reviews
      - material omissions
        - » not submitting a report
      - significant errors
        - » Award amount & date different from agency records
        - » Expenditure greater than award
        - » Unreasonably high job estimates
    - Provide recipient reports and identified errors to OPDIVs & ORAC

HHS Recipient Reporting

- HHS Operating Divisions
  - Roles & Responsibilities
    - Determine if identified errors are valid
    - Perform additional data quality checks for internal use (project status, number of subrecipients, investments in infrastructure)
    - Provide validated errors to recipients
    - Record validated errors to FederalReporting.gov
    - Update status of recipient reports on FederalReporting.gov as reviewed, not reviewed, and error (HHS goal is not to have any reports flagged as not reviewed)

HHS Recipient Reporting

- Outstanding Issues
  - Technical challenges
    - HHS has not yet received any information about the format of recipient reporting data that will be available for download
    - Availability of information on registered recipients
    - Ability to flag reports containing material omissions or significant errors in bulk
  - Internal Controls
    - HHS is uncertain about what reports or tools will be available to identified registered Federal Users
    - HHS is uncertain about availability of reports to identify the status of reports flagged as containing material omissions or significant errors

Phase II – Test Agency Process

- Verify that the agency was limited to identifying and extracting recipient reports for its programs
- Determine whether the agency identified any missing reports, reported them to the RAT Board, and followed up with recipients
- Determine how the agency selected recipient reports for the review of material errors
- Determine how the agency resolved significant errors with the recipient, and whether the error was corrected

Phase II – Test Agency Process

- Download agency database of recipient reports
  - Match control totals (total dollars) to supporting agency records
  - Scan for key fields missing required data
  - Perform reasonableness tests
  - Perform trend analysis
- If errors are identified, determine why agency did not identify them

Phase III – Validate Recipient Data

- Use results of automated checks to develop methodology to validate recipient reports
  - No apparent red flags – select a statistical sample of reports from all recipients and validate key data elements to supporting records
  - Trends indicate problems within certain areas – select a sample of recipients and validate all/sample of reports to supporting records