

DATA Act Webinar for Agencies



September 28, 2015

Creating Intelligent Data

*Brought to you through a partnership
between ACT-IAC, the AGA and XBRL US*



<https://actiac.org/DATAAct>



<https://www.agacgfm.org/DataActHub>

DATA Act Webinar for Government Agencies



Agenda

Introductions/Review of Webinar #1	Herschel Chandler, Information Unlimited
Update on the DATA Act	Christina Ho, Treasury
DATA Act Deliverables for the Non-Technical	Neeraj Gupta, Consumer Financial Protection Bureau
Implementation Considerations – Getting DATA Act Ready	Jeff Steinhoff, KPMG
CPE Questions	
Mapping to Existing Agency Systems – FDIC Case Study	Mark Montoya, FDIC
Validation & Data Quality – FDIC and SEC Case Studies	Mark Montoya, FDIC Michelle Savage, XBRL US
CPE Questions	
Summary and Q&A	Herschel Chandler, Information Unlimited

Update on the DATA Act



Christina Ho, Deputy Assistant
Secretary, Accounting Policy and Financial
Transparency, U.S. Department of the Treasury

DATA Act Deliverables for the Non-Technical



Neeraj Gupta, Business Solutions Lead, Consumer
Financial Protection Bureau

Technical Approach: Step-by-Step



1. Inventory

There are 57 required data elements for the DATA act (plus the currently reported elements on USASpending).

The IAC has published the definitions for them.

Identify the location and state of the 57 elements within your agency.



2. Mapping

The data elements need to be provided in the schema format.

A draft schema has been published on GitHub.

The format needs to be the simplest lift for agencies.



3. Providing & Merging

Data will be provided to Treasury on a regular basis.

At this stage, information will be merged in from central data sources (like SAM.gov).

The methods for “providing” will be described on GitHub



4. Publish

The data will be published on **USASPENDING.GOV**

The information will be made available online as a website, API, and bulk download.

Validation Tool

A resource will be created centrally to check the schema and data quality for testing and production

DATA Act Broker Pilot Links



Broker Pilot Code and Assets

<https://github.com/18f/data-act-pilot>

Story Board:

<https://waffle.io/18f/data-act-pilot>

Data Exchange Standard:

<http://fedspendingtransparency.github.io/data-exchange-standard/>

Full video of the screencast:

[https://github.com/18F/data-act-pilot/blob/master/assets/screencast/data act pilot screencast sept 2015.avi?raw=true](https://github.com/18F/data-act-pilot/blob/master/assets/screencast/data%20act%20pilot%20screencast%20sept%202015.avi?raw=true)

Implementation Considerations – Getting Ready for the DATA Act



Jeffrey Steinhoff, Executive Director, KPMG
Government Institute, and Managing Director,
KPMG Government Advisory

In the words of Thomas Jefferson:



“Whenever the people are well-informed, they can be trusted with their own government.”

Movement to the DATA Act



- CFO Act of 1990
 - Publicly-available, audited annual financial statements
 - Systematic measurement of performance
 - Development of cost information
 - Integration of budget, program, and accounting systems
- Federal Funding Accountability and Transparency Act of 2006 (FFATA)
- The American Recovery and Reinvestment Act of 2009 (ARRA)
- **“Open Government” Directive (December 2009)**
 - USASpending.gov
 - PaymentAccuracy.gov
 - Performance.gov
 - Data.gov
 - Recovery.gov
- **Digital Accountability and Transparency Act of 2014 (DATA Act)**

View of information post-DATA Act



Federal spending information from different systems and reporting streams will become consistent and comparable and of greater value for decision-making and oversight.

A common data format and built-in analytic tools will help integrate various systems with spending data and drive improved data quality and value in analysis for waste, fraud, and abuse within the framework of existing data systems.

Common data elements will unite information from different systems and reports.

The flow of federal funds from appropriation to account to expenditure will be publicly available on USASpending.gov in a machine-readable format.

Checkbook-level payment data will be available. The flow of federal payments will be searchable by agency, appropriation, account, object class, grant/contract, and grantee/contractor in a machine-readable format.

**Are government
organizations ready to
effectively respond to
the DATA Act?**

Benchmark questions



Can you say yes to these benchmark questions?



As your organization gauges readiness and develops strategy to implement the DATA Act, consider these questions as an initial benchmark.

Collaboration

- Are you proactive in sharing insights and solutions as data standards and other requirements are formulated?
- Are you focused on going beyond basic compliance to broader transformational change in how the public receives spending information?
- Have you developed day-to-day working relationships with Treasury and OMB, fellow federal agencies, and state and local governments?

More Benchmark Questions



Data

- Does your data contain the common data elements that enable unique identifiers for federal awards, entities, grantees and contractors?
- Are your unique identifiers consistent with federal data standards?
- Can you assess what data is relevant and where it needs to come from?
- Can you link DATA Act information with your financial statements?
- Is your data accurate and complete for all funds, object classes and other required reporting elements that make up “360-degree” reporting?

More Benchmark Questions



Technology

- Are you able to efficiently and effectively obtain data?
- Do you have analytic tools to enable data-centric reporting?
- Do you have appropriate information security?

Business Strategy and Governance

- Are you innovative, looking beyond basic public reporting to how spending information can be used for improved decision-making and oversight?
- Have you evaluated gaps in data sources?
- Do you have a validation process to continually ensure your data can withstand an independent audit?
- Do you have a communications strategy — in-house and with stakeholders?
- Have you developed a proactive working relationship with your inspector general?

Even More Benchmark Questions



Process

- Do you have processes to ensure required data is accumulated, processed and reported on time and accurately?
- Do you have the necessary business rules to adjust to Treasury's and OMB's data standards and subsequent refinements?

People

- Do you have people with the right skills to analyze budgeting and spending information and to map your data in accordance with required data structures and standards?
- Do you have the right personnel to lead the implementation effort?
- Are they fully empowered to work seamlessly across the agency's organizations and programs?
- Do you have DATA Act training programs?

CPE Questions



Case Study: Mapping to Existing Agency Systems



Mark Montoya, Senior Business Lead, FDIC

Key Process: Mapping to Agency Existing Systems



- Call Report
 - Key foundational components
- Financial Item Mappings
 - From collection to aggregation
- Call Report Re-use
 - Downstream application development

Call Report Components



- Report Forms
 - Presentation of two financial reports
 - Report instructions
- Data Quality Checks
 - Validation formulas
- A Common Sets of Financial Items
 - Shared between FFIEC agencies

Foundational Aspects



- **Micro Data Reference Manual**
 - A dictionary of micro and macro data collected from financial institutions
- **Data Series + Financial Item**
 - Bank Holding Company Report + Total Assets
 - BHCK + 2170 (BHCK2170)
- **Used in Backend Systems and Databases**
 - Used for collection, analysis, aggregation and distribution

Mappings for Agency Systems



- Data Extracts
 - Shared system for extracts
 - Common dictionary
- Inter Agency Data Exchange
 - Common standard for data exchange
- Corporate Databases
 - Common dictionary used in backend systems

Used Throughout Internal Processes



- Collected data
 - FFIEC reports
 - DFA collections
- Distributed data
 - Software vendors
 - Agencies
- Aggregate data
 - Quarterly bank profile
 - Analysis for industry conditions

Call Report Financial Data Re-use



- Web Services
- Enterprise Architecture Service Broker
- Examiner Toolkit Suite



Validation & Data Quality Case Studies

Key Process: Validation and Quality



- Call Report
 - Framework and structure
- Data Validation
 - Process for collection and analysis
- Data Quality
 - Additional guidance and rules

Call Report



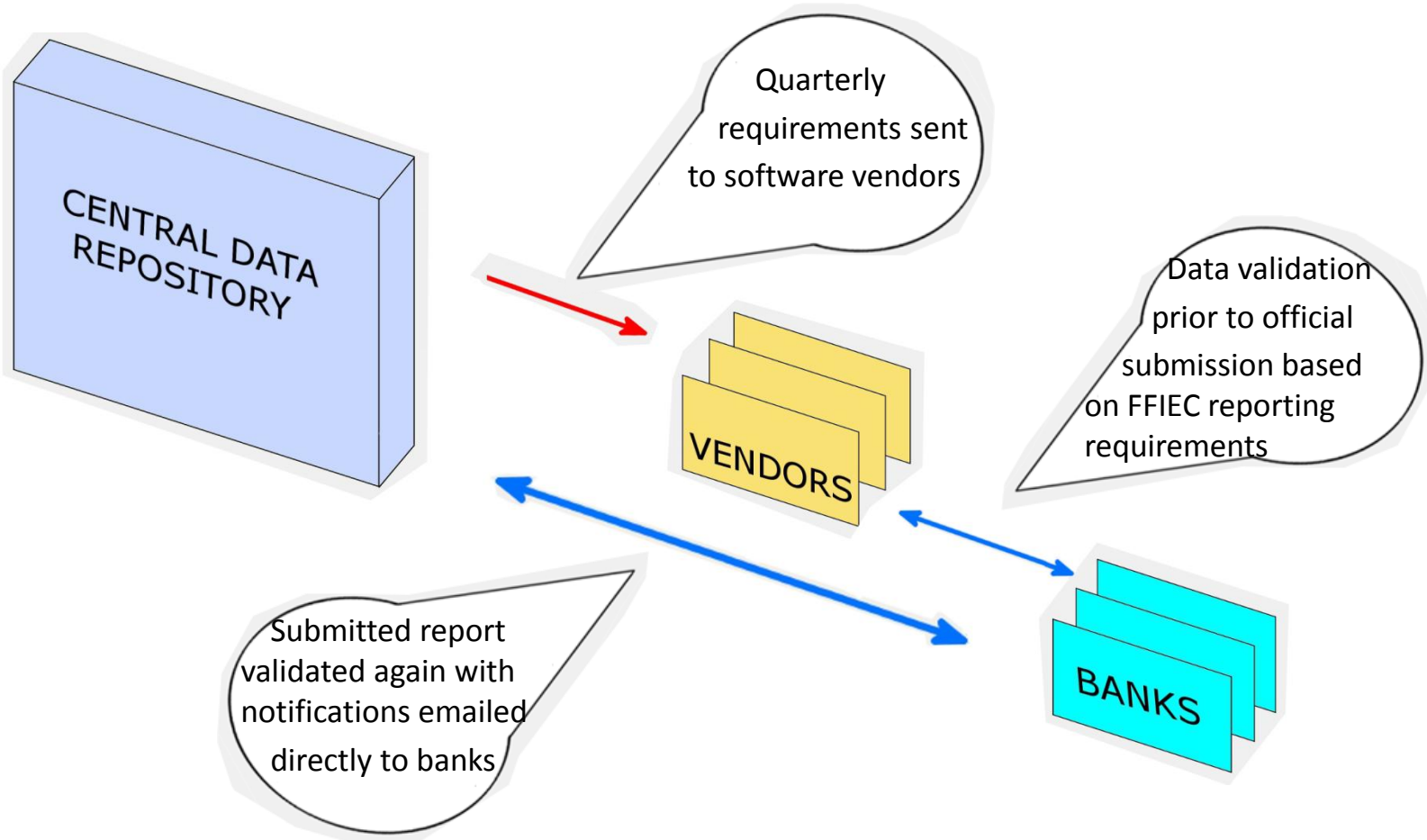
- Structured Financial Report
 - Balance Sheet and Income Statement
 - Sub schedules
- No interpretations
 - Bank cannot add to additional financial items
- Explicit instructions
 - Defined set of guidance
 -Bank and analyst correspondence

Data Validation



- Regulatory Reporting Software Vendors
 - Incorporate Call Report rules in software
 - Testing and review process
- Financial Institutions
 - Bank level data validation
 - Data must pass prior to submission
- Central Data Repository
 - Data quality checks applied again
 - Reports rejected not passing validation

Data Validation Workflow



Data Validation Detail



- Data Quality Checks
 - Validity
 - Quality
- Reportability Rules
 - Based in Financial Institution's prior and current financial and structure information
- Same Data Validation Criteria
 - Vendor software
 - Central Data Repository

Data Quality



- Bank in charge of own data quality
- Validity data checks must pass prior to submission to CDR
- Quality data check failures must be accompanied with text explanation
- Second level validation happens at the CDR system

Case Study: SEC Validation



Michelle Savage, VP, Communication, XBRL US



Validation Case Study: SEC Reporting

SEC mandated public company reporting in XBRL format in 2009

“...intended not only to make financial information easier for investors to analyze, but also to assist in automating regulatory filings and business information processing.”



Validation Case Study: SEC Reporting

Situation:

- The US GAAP standard allows for substantial flexibility
 - Unique items can be reported
 - Presentation in HTML can vary
 - Textual footnotes contain values
- XBRL US GAAP Taxonomy is large
 - 20,000+ elements
 - Interrelationships within reporting items

XBRL Validation

Professional Services Providers

Business Reporting Rules

**Corporate
Issuers and
Preparers**

**Accounting
& Audit
Firms**

**Filing
Agents &
Financial
Printers**

Data Quality Rules

SEC EDGAR Filer Manual Rules

Specification Validation



**SEC
Acceptance**

**Accurate
Content &
Interpretation**

**Data
Consistency**

**XML
Validation**

XBRL Validation

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Printers

Data Quality Rules

SEC EDGAR Filer Manual Rules

Specification Validation

Established and maintained
by Standard Setter

XBRL SPECIFICATION VALIDATION

- *underlying XML specification for XBRL*
- *component of XBRL standard, developed, maintained and funded by XBRL International*

XBRL Validation

Professional Services Providers

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Printers

Data Quality Rules

SEC EDGAR Filer Manual Rules

Specification Validation

Established and maintained
by Regulator

EDGAR Filer Rules

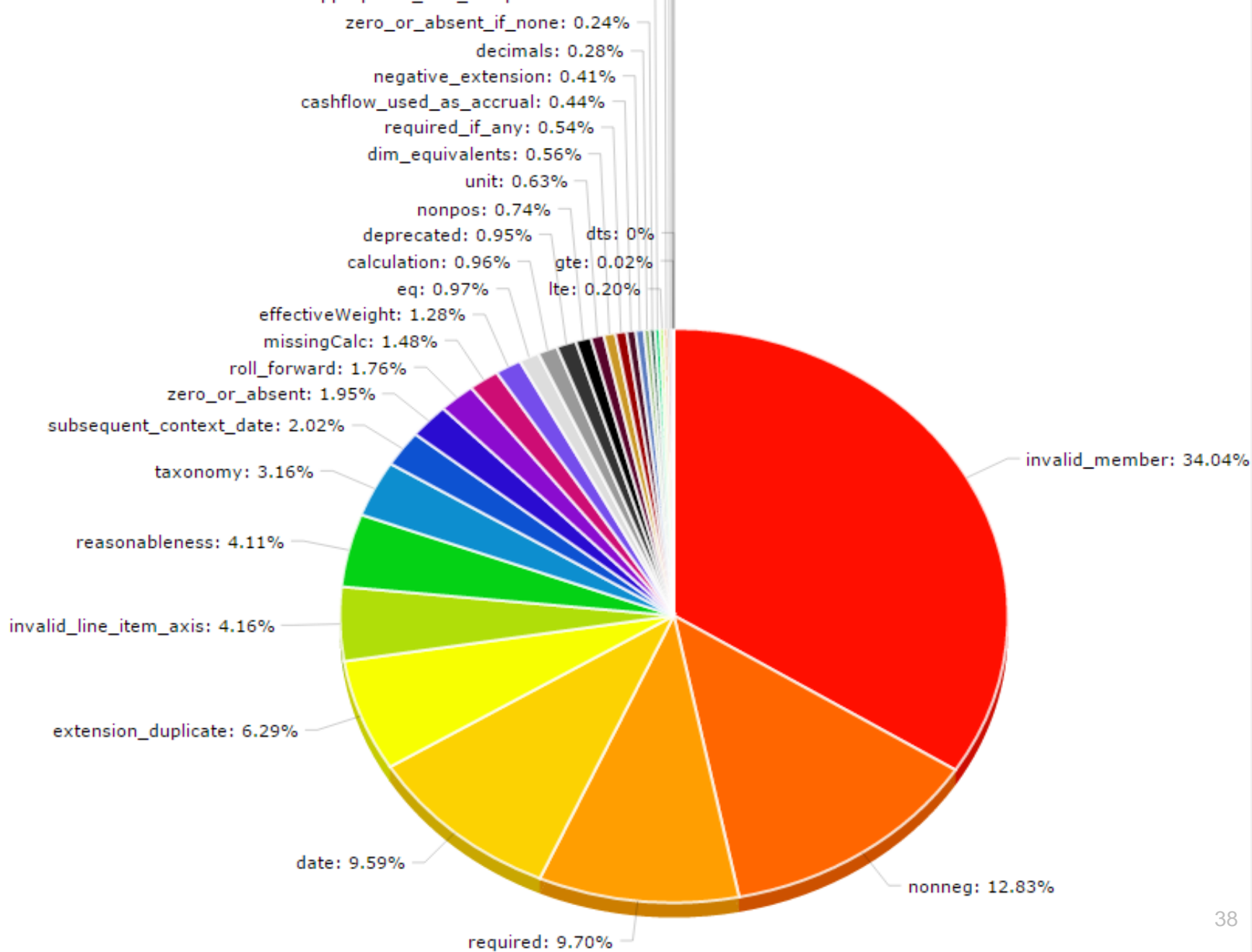
- *Syntax and business rules*
- *Many syntax rules can be automated*
- *Rules related to document entity information*
- *Rules cover structure of document*

Examples of EDGAR Filer Rules that can be automated



- 6.3.9 Filers must use one of the taxonomies as specified on the SEC website as their standard taxonomy.**
- 6.5.21 An instance must contain one non-empty fact for each required Entity Information element, each with a contextRef attribute referring to a Required Context. The value of an EntityPublicFloat fact in an instance will be 0 for an entity that has only public debt.**

Element	Base Type	(Example)
EntityRegistrantName	xsd:normalizedString	General Example Company
EntityCentralIndexKey	dei:centralIndexKey	0005551212
EntityCurrentReportingStatus	dei:yesNo	Yes
EntityVoluntaryFilers	dei:yesNo	No
CurrentFiscalYearEndDate	xbri:gMonthDayItem Type	--12-31*
EntityFilerCategory	dei:filerCategory	Large Accelerated Filer
EntityWellKnownSeasonedIssuer	dei:yesNo	Yes
EntityPublicFloat	xsd:decimal	987654321
DocumentFiscalYearFocus	xbri:gYearItem Type	2009**
DocumentFiscalPeriodFocus	dei:fiscalPeriodItem Type	FY, Q1, Q2, Q3, Q4, H1, H2, M9, T1, T2, T3, M8, CY***



XBRL Validation

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Data Quality Rules

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Established and maintained
by Industry

DATA QUALITY RULES

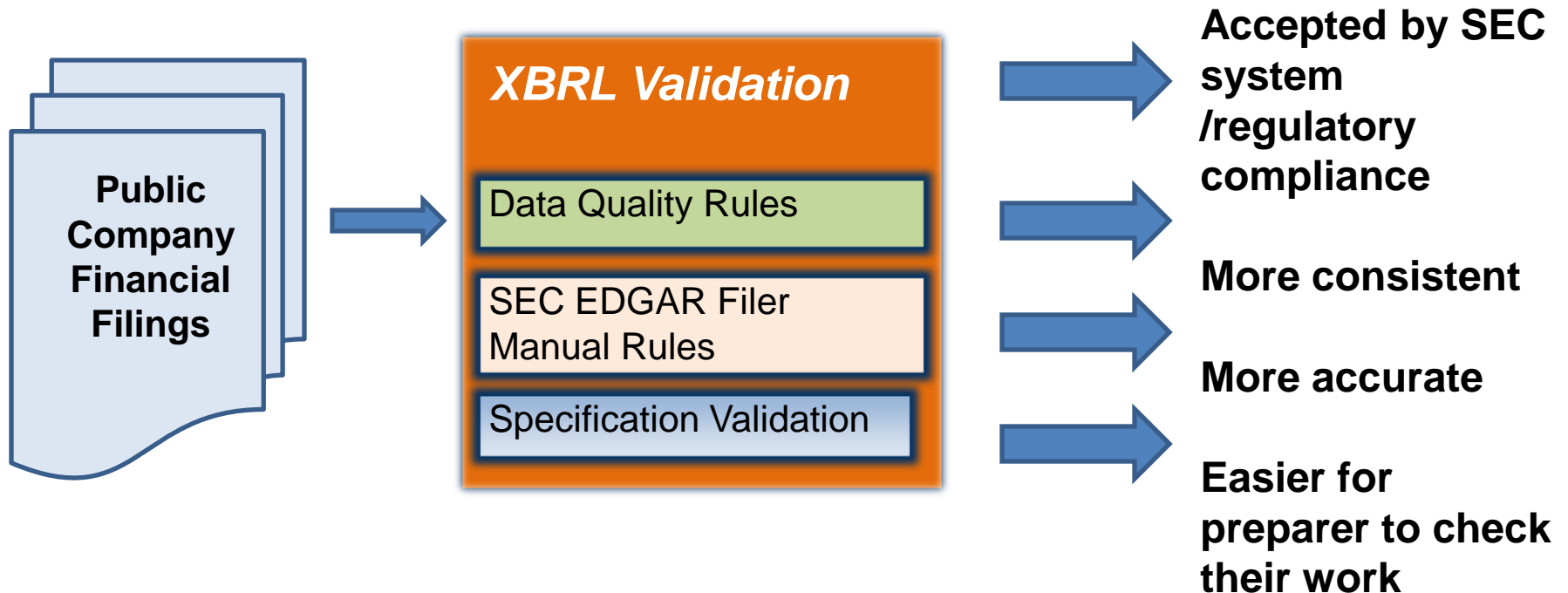
- *unambiguous guidance on how to tag financial data*
- *freely available, automated validation rules to verify compliance with its guidance and to detect tagging errors*

Data Quality Validation Rules



- A rule is an assertion that can be run over one or many sets of elements
- Examples
 - Certain elements must always be negative/positive
 - Element values are equal
 - Document and entity information dates should match the document period end date
 - Element A must be \leq Element B

Results of Validation Stack



Accessing XBRL Corporate Data



APIs can be used to extract XBRL formatted corporate data

Spreadsheets (Excel and Google Sheets) provide company analysis that you can customize

The screenshot shows the GitHub interface for the repository 'xbrlus / data_analysis_toolkit'. At the top, there is a search bar and navigation links for 'Explore', 'Features', 'Enterprise', and 'Pricing'. Below the repository name, there is a 'Watch' button with a count of 3. The repository description is 'Repository of resources to access and use XBRL data'. Statistics show 60 commits, 1 branch, 0 releases, and 1 contributor. The current branch is 'master'. The repository contains a directory structure with folders 'api' and 'templates', and a file 'README.md'. The 'api' folder is described as 'API Documentation' and was updated 6 days ago. The 'templates' folder is described as 'Template Documentation' and was updated 3 days ago. The 'README.md' file is described as 'Readme' and was updated 7 days ago. The repository name 'data_analysis_toolkit' is displayed prominently at the bottom of the screenshot.

Summary



Herschel Chandler, Managing Principal, IUI

Questions? Ask the Experts ...



- Herschel Chandler, Managing Principal, Information Unlimited, Inc. (IUI)
- Neeraj Gupta, Business Solutions Lead, Consumer Financial Protection Bureau
- Christina Ho, Deputy Assistant Secretary, Accounting Policy and Financial Transparency, U.S. Department of the Treasury
- Mark Montoya, Senior Business Analyst, FDIC
- Michelle Savage, VP, XBRL US
- Jeff Steinhoff, Executive Director, KPMG Government institute, and Managing Director, KPMG Advisory

What's Next?

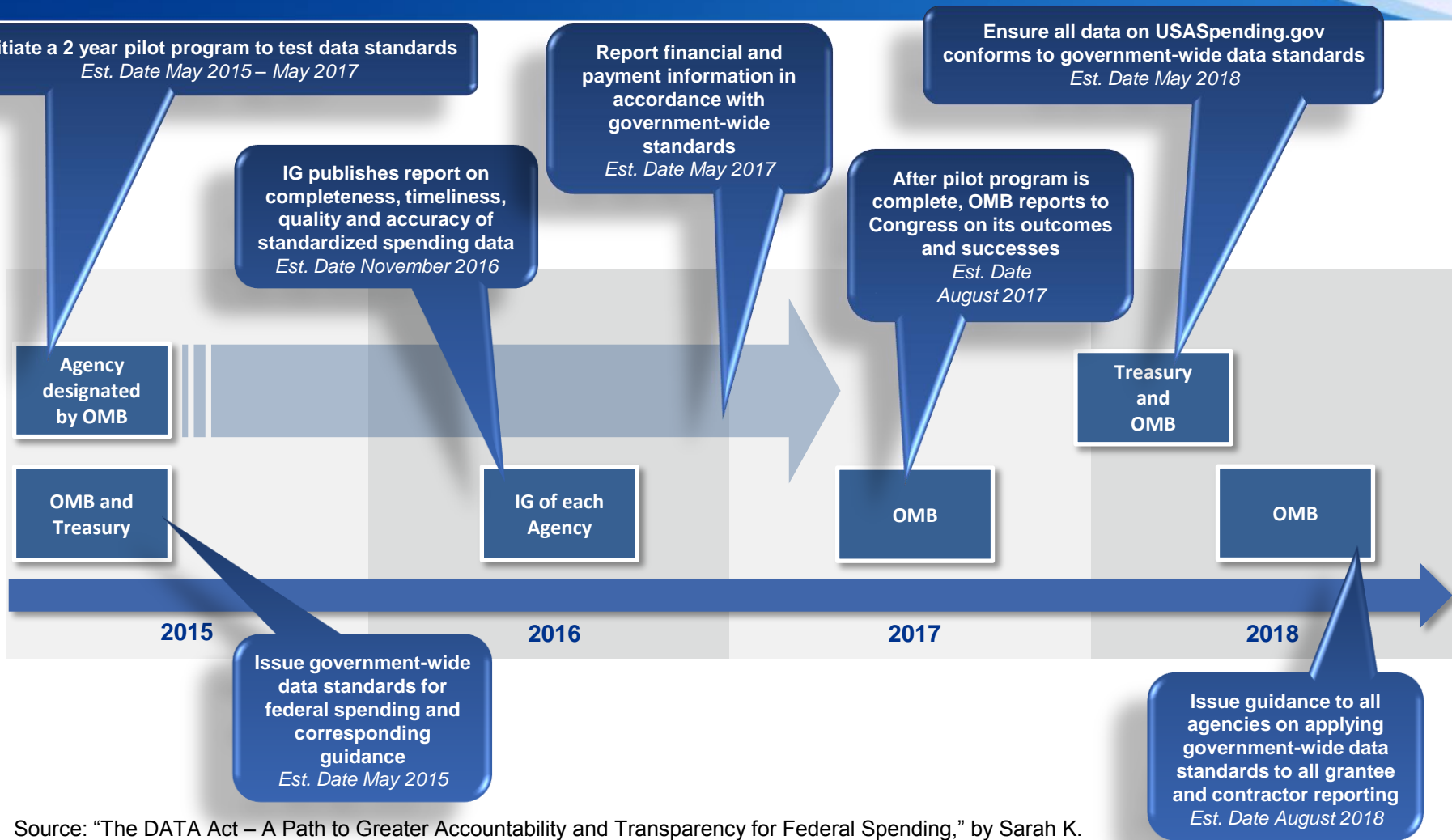


- Watch your email for the next sessions to be held in October covering using structured data
- Materials to be sent:
 - Slides and replay archive
 - Glossary of terms
 - XBRL backgrounder

Backup Slides from KPMG



Implementation timeline



Source: "The DATA Act – A Path to Greater Accountability and Transparency for Federal Spending," by Sarah K. Hluchan, MPP, Ramona Manikarnika, MS, FGMC, and Jeffrey C. Steinhoff, CGFM, CPA, CFE, CGMA, *Journal of the National Grants Management Association*, Winter 2015

Related KPMG Government Institute thought leadership



- Are You Prepared to Meet the Challenges of the DATA Act and Open the Door Wider on Government Spending, *AGA Journal of Government Financial Management*, Spring 2015
- The DATA Act – A Path to Greater Accountability and Transparency for Federal Spending, *Journal of the National Grants Management Association*, Winter 2015
- Key Considerations in Meeting DATA Act Challenges – Are You Prepared?, KPMG Government Institute, July 2014
- Digital Auditing: Modernizing the Government Financial Statement Audit Approach, *AGA Journal of Government Financial Management*, Spring 2014
- Moving to the Next Stage of Federal Financial Reporting: Bringing Greater Value and Transparency through “Open Government” Reporting, KPMG Government Institute, June 2012
- Building Public Trust through Open Government Electronic Reporting: “We’ve Only Just Begun,” *AGA Journal of Government Financial Management*, Winter 2012

Related KPMG Government Institute thought leadership (continued)



- The CFO Act Turns 20 Years Old: As We Blow Out the Candles, Where Are We Today and Where Do We Go From Here,? *AGA Journal of Government Financial Management*, Winter 2010
- The American Recovery and Reinvestment Act: Is Government Turning a New Page in Accountability, Transparency and Intergovernmental Relations,? *AGA Journal of Government Financial Management*, Spring 2010
- *The KPMG Executive Guide to High Performance in Federal Financial Management*, KPMG Government Institute, June 2009
- The Government Management Reform Act of 1994: A Retrospective of Achievement and Remaining Challenges and a Look to the Future, *AGA Journal of Government Financial Management*, Winter 2008

These documents are available at www.kpmginstitutes.com/government-institute

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