EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES

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

Independent Auditors' Report on EXIM Bank's DATA Act Submission

November 8, 2017
OIG-AR-18-01

To: Michele Kuester, Senior Vice President, Innovation and Performance

From: Terry Settle, Acting Inspector General and Assistant Inspector General for Audits

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

Date: November 8, 2017

This memorandum transmits the Independent Auditors' Report on EXIM Bank's DATA Act Submission. Under a contract monitored by this office, we engaged the independent public accounting firm of Cotton & Company LLP (Cotton) to perform the audit. The objectives of this performance audit were to assess (1) EXIM Bank'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) and (2) the completeness, timeliness, quality, and accuracy of the financial and award data that EXIM Bank submitted for publication on USASpending.gov.

Cotton determined EXIM Bank has invested significant effort in implementing processes for responding to the DATA Act requirements. For its first official DATA Act submission, we determined that EXIM Bank adhered to all but one of the government-wide data standards and that EXIM Bank's financial and award data submission was not always accurate, complete, timely, or of quality. For each error related to accuracy, completeness, and timeliness, we determined that an error in quality also existed. The report contains 13 recommendations and management concurred with all 13 recommendations. We consider management's proposed actions to be responsive and the recommendations will be closed upon completion and verification of the proposed actions.

We appreciate the cooperation and courtesies provided to Cotton and this office during the audit. If you have questions, please contact me at (202) 565-3498 or terry.settle@exim.gov. You can obtain additional information about the Export-Import Bank Office of Inspector General and the Inspector General Act of 1978 at http://www.exim.gov/about/oig..

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November 8, 2017

Terry Settle
Acting Inspector General and Assistant Inspector General for Audits
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811 Vermont Avenue, NW
Washington, DC 20571

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

Dear Ms. Settle:

Cotton & Company LLP is pleased to submit its report on the results of its performance audit of the Export-Import Bank of the United States' (EXIM Bank's or the Bank's) financial and award data reported as of the second quarter of fiscal year 2017, as required by the Digital Accountability and Transparency Act of 2014 (DATA Act). 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.

Please feel free to contact me with any questions.

Sincerely,

Cotton & Company LLP

Meredith Shears, CPA
Partner

The Export-Import Bank of the United States (EXIM Bank) is the official export credit agency of the United States. EXIM Bank is an independent, self-sustaining executive agency and a wholly-owned U.S. government corporation. EXIM Bank's mission is to support jobs in the United States by facilitating the export of U.S. goods and services. EXIM Bank 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 Bank, was statutorily created in 2002 and organized in 2007. The mission of the EXIM Bank 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.

EXECUTIVE SUMMARY

Audit of EXIM Bank's DATA Act Submission

OIG-AR-18-01, November 8, 2017

Why We Did This Audit

The Export-Import Bank of the United States (EXIM Bank 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 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, quality, and accuracy of the data, as well as on the use of the government-wide data standards. EXIM Bank's Office of Inspector General contracted with Cotton & Company to conduct EXIM Bank's FY 2017 DATA Act performance audit.

What We Recommend

We made 13 recommendations for the Bank to: (1) assure its financial assistance amendments link to the original award; (2) identify and correct the cause of accuracy errors; (3) improve controls over data entry in Federal Procurement Data System – Next Generation; (4) improve its review of data submitted to USASpending.gov's Award Submission Portal; (5) implement reviews of Files D1 and D2; (6) assure all appropriations subject to the DATA Act are reported; (7) reconcile File B to EXIM Bank's trial balance and File C to File D1; (8) identify and correct the cause of variances in the amounts reported in File B; (9) require that all journal vouchers include an object class; (10) develop and implement a plan to assure spending data contain object classes; (11) implement procedures to assure contracts are recorded in its financial system timely; (12) require the SAO to obtain and review all reconciliations and reviews of DATA Act submissions; (13) reassess its process for preparing its quarterly submission to assure data are submitted timely.

What We Found

The objectives of this performance audit were to assess (1) EXIM Bank's implementation and use of the government-wide financial data standards established by OMB and Treasury, and (2) the completeness, timeliness, accuracy, and quality of EXIM Bank's financial and award data submitted for publication on USASpending.gov for the second quarter of fiscal year (FY) 2017. EXIM Bank has invested significant effort in implementing processes for responding to DATA Act requirements. For its first official DATA Act submission, we determined that EXIM Bank adhered to all but one of the government-wide data standards and that EXIM Bank's financial and award data submission was not always accurate, complete, timely, or of quality. For each error related to accuracy, completeness, and timeliness, we determined that an error in quality also existed.

Specifically, we found that the Bank improperly implemented the government-wide data standards for amendments. For the 18 guarantee and insurance amendments in our sample, the Bank identified the amendment as having an Action Type of "New" and did not include an amendment number in its award-level data. Moreover, the Action Date was inaccurate for 17 of the 18 amendments. In addition, we found that another 64 sampled transactions contained at least one data element that was not accurate. In total, 82 of the 268 sampled transactions had at least one data error.

For completeness, we found that the Bank's summary-level information reported in Files A and B was missing one of the Bank's appropriations, 29 transactions in File B did not contain object classes, and amounts reported as unpaid obligations in File B did not always match the Bank's financial records. We determined EXIM Bank's File C did not include 17 procurement actions that occurred during the second quarter of FY 2017. We also found 41 of the 91 awardees or recipients in our sample were not included in File E, which was extracted by Treasury's DATA Act Broker and not the Bank, and the names of highly compensated officer(s) and their total compensation were omitted for two awardees. Finally, we noted EXIM Bank's DATA Act submission for the second quarter of FY 2017 was not certified until May 10, 2017, which was after the statutory deadline, May 9, 2017.

EXIM Bank's processes for implementing the DATA Act requirements are still maturing and it has opportunities to improve the validity and reliability of its quarterly financial and award data submitted for publication on USASpending.gov. Prompt EXIM Bank actions to address our 13 recommendations will likely improve the design of the Bank's internal controls over the reliability and validity of its award and financial data submission.

For additional information, contact the Office of Inspector General at (202) 565-3908 or visit http://exim.gov/about/oig

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ABBREVIATIONS AND GLOSSARY

ASP	Award Submission Portal
CFDA	Catalog of Federal Domestic Assistance
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DUNS	Dun & Bradstreet Number
FAEC	Federal Audit Executive Council
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act of 2006
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	Government Accountability Office
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
SAM	System for Award Management
SAO	Senior Accountable Official
Treasury	U.S. Department of the Treasury
TAS	Treasury Account Symbol
USSGL	U.S. Standard General Ledger
Working Group	EXIM Bank 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 Bank or the Bank's) Digital Accountability and Transparency Act of 2014 (DATA Act)[1] financial and award data submission as of the second quarter of fiscal year (FY) 2017. The objectives of this performance audit were to assess (1) EXIM Bank'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) and (2) the completeness, timeliness, quality, and accuracy of the financial and award data that EXIM Bank submitted for publication on USASpending.gov.[2]

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 was the Bank's financial and award data submitted for publication on USASpending.gov as of the second quarter of FY 2017, as well as the Bank's applicable procedures, certifications, documentation, and controls used in reporting these data. This was the Bank's first official submission of financial and award data, as required by the DATA Act.

To accomplish these objectives, we prepared an audit plan by reviewing the Federal Audit Executive Council (FAEC) DATA Act Working Group's *Inspectors General Guide to Compliance Under the DATA Act* (OIG-CA-17-012) and adapting it to EXIM Bank's environment. As part of our planning, we gained an understanding of EXIM Bank's financial and award information and environment by reviewing relevant legislation, OMB memoranda, Treasury guidance, and relevant 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 the U.S. Government Accountability Office (GAO) and by Treasury's OIG. In addition, we obtained and reviewed the Bank's documentation of systems, processes, and internal controls related to reporting under the

[1] Public Law (P.L.) 113–101.

[2] Per the Federal Audit Executive Council (FAEC) DATA Act Working Group's *Inspectors General Guide to Compliance Under the DATA Act*, "Completeness is measured in two ways, (1) all transactions that should have been recorded are recorded in the proper reporting period and (2) as the percentage of transactions containing all applicable data elements required by the DATA Act. Timeliness is measured as the percentage of transactions reported within 30 days of quarter end. Accuracy is measured as the percentage of transactions that are complete and agree with the systems of record or other authoritative sources. Quality is defined as a combination of utility, objectivity, and integrity. Utility refers to the usefulness of the information to the intended users. Objectivity refers to whether the disseminated information is being presented in an accurate, clear, complete, and unbiased manner. Integrity refers to the protection of information from unauthorized access or revision."

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 determine the nature, extent, and timing of testing. 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 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 Bank 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 2016 financial statement audit report and management letter and coordinated with the Bank's OIG regarding its other related ongoing audits.

We obtained and reviewed the SAO's assurance for the Bank's financial and award data submission for the second quarter of FY 2017, which stated that the Bank's internal controls support the reliability and validity of EXIM Bank's summary-level 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 March 31, 2017, to Files A and 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 tested a statistically valid sample of the financial and award data, as required by the DATA Act. We began by evaluating whether we should draw the sample from File C, which contains award-level financial data, or 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. We noted that the Bank does not report its loan, guarantee, and insurance programs in File C because the programs operate at either a zero or negative

[3] OMB stated financial assistance awards include grants, loans, guarantees, direct payments, and insurance in OMB Memorandum M-15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, dated May 8, 2015. For EXIM Bank, this includes its loans, guarantees, and insurance.

subsidy. We therefore derived our statistical sample from Files D1 and D2, to ensure that we included the Bank's procurement awards and loans, guarantees, and insurance in our population.

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 random attribute sample from the population using the following parameters: 95 percent confidence level, 50 percent expected error rate, and desired sampling precision of plus or minus 5 percent. Figure 1 shows the population of Files D1 and D2 and the resulting sample size.

Figure 1: Second Quarter FY 2017 Population (File D1 and File D2) and Sample Size

DATA Act File	Total Records	Records Sampled
File D1	68	20
File D2	724	248
Total	**792**	**268**

For each award sampled, we tested applicable linkages between Files C, D1, D2, and E.[4] We confirmed the accuracy, completeness, and timeliness of the financial and non-financial information required by government-wide data standards for each sampled transaction by verifying the data against the Bank's source records, including its accounting system of record, the Financial Management System – Next Generation (FMS-NG).[5] We also compared non-financial and additional awardee attribute data elements to external sources, including the System for Award Management (SAM). We further tested completeness by verifying whether each transaction in the sample 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 that element. We then assessed the quality of the information and EXIM Bank's adherence to the 57 data standards established by OMB and Treasury.[6]

Cotton & Company conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), as established in 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 Bank in Washington, DC, as

[4] File E: *Additional Awardee Attributes.*

[5] We verified loan, guarantee, and insurance awards using the Bank's source systems, EXIM Online and the Application Processing System. We verified procurement award data using the Bank's contracts and other procurement documentation.

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

well as remotely at the Cotton & Company office in Alexandria, VA, from June through November 2017.

We discussed our findings and conclusions with management officials on October 12, 2017; provided management with a draft of our report on October 25, 2017; and 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 Bank 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 Public Law (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 Bank 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. The DATA Act also requires federal agencies to report financial and award information consistent with the guidance established by OMB and Treasury. Agencies were to make the reported data available to lawmakers and the public by displaying them on USASpending.gov and were required to

[7] Certain provisions codified at 12 U.S.C. section 635 et. seq.

[8] 31 U.S.C. 6101.

report this information beginning in May 2017. The data for each program activity must include obligation and outlay amounts for each object class.[9]

As required by the DATA Act, OMB and Treasury published 57 data definition standards and required federal agencies to report financial data in accordance with these standards for the second quarter of FY 2017. Treasury used these data definition standards to develop the DATA Act Information Model Schema (DAIMS), which is a standard 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 the data will be collected and reported.

Under the DATA Act Schema, financial and award data are collected and reported 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.[10, 11] The Treasury DATA Act Broker then extracts the information for Files D1, D2, E, and F from these government-wide intermediary 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] Object classes are the categories assigned for purposes of the President's annual budget and refer to the type of property or services purchased by the U.S. Government.

[10] The government-wide financial assistance system collects data for grants, loans, guarantees, and other awards, which includes insurance.

[11] The government-wide procurement system is the Federal Procurement Data System – Next Generation (FPDS-NG). Other financial assistance award information is submitted to USASpending.gov through its Award Submission Portal (ASP).

submissions, Files A through F have the correct linkages and alignment, and the data are valid and reliable in each of the DATA Act files submitted.

In addition to the agency reporting requirements, the DATA Act imposes oversight requirements on OIGs and the Comptroller General of the United States. OIG reports were first due to Congress in November 2016; however, this was before the May 2017 reporting requirement for agencies. In recognition of this timing anomaly, the Chair of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) issued a December 22, 2015, letter to the Senate Committee on Homeland Security and Government Affairs and the House Committee on Oversight and Government Reform. The letter communicated CIGIE's plan for Inspectors General to provide Congress with their first reports in November 2017, a one-year delay from the statutory due date, with subsequent reports on a two-year cycle.

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 July 2017.

AUDIT RESULTS

The objectives of this performance audit were to assess (1) EXIM Bank'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 Bank's financial and award data submitted for publication on USASpending.gov for the second quarter of FY 2017. For its first official DATA Act submission, we determined that EXIM Bank adhered to all but one of the government-wide data standards and that EXIM Bank's financial and award data submission was not always accurate, complete, timely, or of quality. For each error related to accuracy, completeness, and timeliness, we determined that an error in quality also existed.

Figure 2 presents the overall summary of errors and projected error rates for each of the characteristics we tested in our statistical sample (accuracy, completeness, and timeliness), as well as for the Bank's use of government-wide data standards. Appendix A contains the full results of our sample.

Figure 2: Overall Summary of Errors and Projected Error Rates

Characteristic	Population	Sample	Number of Errors	Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate
Use of Data Standards	792	268	18	6.72%	4.55%	9.72%
Accuracy[12]	792	268	82	30.60%	26.14%	35.35%
Completeness	792	268	18	6.72%	4.55%	9.72%
Timeliness[13]	792	268	1	0.37%	0.13%	1.64%

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.

Although OMB and Treasury guidance leveraged existing processes for reporting procurement and financial assistance data in accordance with FFATA when developing government-wide data standards and the DATA Act reporting process, EXIM Bank was not subject to FFATA reporting prior to the DATA Act. Accordingly, EXIM Bank's level of effort for implementing government-wide data standards and DATA Act reporting was increased. The Bank's implementation efforts required changes to the Bank's systems and processes that were a significant undertaking for the Bank. Although EXIM Bank invested significant effort in implementing the necessary changes, we determined that the Bank's processes for implementing the DATA Act requirements are still maturing and the Bank has opportunities to improve the validity and reliability of its quarterly financial and award data submitted for publication on USASpending.gov.

Specifically, we found that EXIM Bank did not correctly identify amendments to its loan, guarantee, and insurance authorizations in File D2. As a result, File D2 only included the most recent authorization or amendment for each quarter. Of the 248 transactions from File D2 tested in our sample, 18 were amendments. We found that for each of the sampled amendments, the Bank improperly assigned the amendment an Action Type of "New,"[14] and did not include an amendment number in the Award Modification Amendment Number data field. Moreover, the Bank inaccurately reported the Action Date[15] as the date of the original award for 17 of the 18 amendments. Government-wide data standards state that amendments should be assigned an Action Type of "Revision" to differentiate the amendment from a new agreement, note the date of the amendment, and include an amendment number to ensure that File D2 captures the cumulative effect of the

[12] For 9 of the 82 transactions with inaccurate data, the data element(s) were inaccurately derived by government-wide intermediary procurement and financial assistance systems or extracted by the Treasury DATA Act Broker.

[13] We determined the one timeliness error to be within an acceptable number of deviations.

[14] Per data standards, the Action Type data element is defined as a "description (and corresponding code) that provides information on any changes made to the Federal prime award. There are typically multiple actions for each award."

[15] Per data standards, the Action Date data element is defined as "the date the action being reported was issued/signed by the Government or a binding agreement was reached."

amendment. This allows the public and other USASpending.gov users to link modifications and amendments to the original award. EXIM Bank did not properly identify the amendments, did not include an amendment number, and did not accurately report the action date for these transactions;[16] as such, these data elements were inaccurate and incomplete. Moreover, EXIM Bank did not report the original transaction and prior amendments if they occurred during the same quarter as the amendment. Accordingly, File D2 was not complete.

In addition to the 18 transactions previously noted, we found that another 64 sampled transactions contained at least one data element that was not accurate. Therefore, in total, 82 of the 268 sampled transactions had at least one error. These transactions 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. Based on our test results, we are 95 percent confidence that between 208 and 280 of the 792 transactions in the Bank's second quarter of FY 2017 File D1 and File D2 submission contain at least one inaccuracy. For completeness, we found that EXIM Bank's summary-level information reported in File A and File B did not contain all transactions and 29 of the 177 transactions in File B did not contain object classes. In addition, certain appropriations' unpaid obligations reported in File B did not match the Bank's adjusted trial balance as of March 31, 2017. We further determined that, due to timing differences, File C did not include 17 procurement actions that occurred during the second quarter of FY 2017. Finally, we found 41 of the 91 awardees or recipients were not included in File E, which is derived by the Treasury DATA Act Broker, and the names of highly compensated officer(s) and their total compensation were omitted for two awardees.[17]

In addition, EXIM Bank's first official DATA Act submission for the second quarter of FY 2017 was not certified until May 10, 2017, which was after the May 9, 2017 statutory deadline. The Bank initially loaded the files on April 24, 2017; however, the SAO did not certify the files due to validation warnings from the Treasury DATA Act Broker and detected errors related to functions performed by the OCFO and the Office of Resource Management. The Bank was able to resolve and correct some but not all of the errors detected in EXIM Bank's financial and award data submission (e.g., the missing object class codes in File B).

In summary, we determined that many of the errors related to accuracy, completeness, and timeliness, which created errors in quality as well, occurred because EXIM Bank has not fully designed and implemented processes, systems, and controls to reasonably assure that its data reported under the DATA Act comply with OMB and Treasury requirements. As a result, there is an increased risk that the Bank's future DATA Act submissions will not be valid and reliable and will not fully adhere to government-wide DATA Act standards.

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[16] "Transaction" may refer to summary-level data or award-level data.

[17] File E is extracted by the Treasury DATA Act Broker from SAM. It is the awardee's responsibility to report executive compensation information in SAM, and no further action is required from the Bank regarding the awardee's data in SAM.

We made 13 recommendations to address the above issues. These recommendations, if implemented, should help improve the Bank's implementation and use of government-wide data standards established by OMB and Treasury and the accuracy, completeness, timeliness, and quality of the Bank's financial and award data submitted for publication on USASpending.gov. EXIM Bank management concurred with our recommendations and stated that it will take corrective action in response to our recommendations. Management's responses to the findings identified in our performance audit are included within the report and in Appendix B. We did not audit management's responses, and accordingly, we express no opinion on them.

Finding 1: EXIM Bank Adhered to All but One Government-wide Data Standard

EXIM Bank did not correctly identify amendments to its loan, guarantee, and insurance transactions in File D2. As a result, File D2 only included the most recent authorization or amendment for each quarter. Of the 248 transactions from File D2 tested in our sample, 18 were amendments. We found that for each of the sampled amendments, the Bank maintained the same FAIN as the original award but improperly assigned the amendment an Action Type of "New,"[18] and did not include an amendment number in the Award Modification Amendment Number data field. Moreover, the Bank inaccurately reported the Action Date[19] as the date of the original award for 17 of the 18 amendments. Because the Action Type was listed as "New" and there was no amendment number, the amendment overwrote the data in File D2 related to the original authorization and any previous amendments that occurred during the second quarter of FY 2017. Eleven of the 18 amendments tested legally changed the award, but did not change EXIM Bank's financial obligation or contingent liability, the recipient name, address, policy period, or scope.

Per OMB and Treasury's government-wide data standards, amendments should maintain the same FAIN as the original award, be assigned an Action Type of "Revision" to differentiate the amendment from a new agreement, note the date of the amendment, and include an amendment number to ensure that File D2 captures the cumulative effect of the amendment. This allows the public and other USASpending.gov users to link modifications and amendments to the original award. The SAO noted that EXIM Bank did not believe it was necessary to report both the original authorization and the related amendments if they occurred in the same quarter, so it only reported the most recent action. However, as noted above, not distinguishing the original authorization from the amendments causes the most recent amendment to overwrite any previous related actions that occurred in the same quarter. Accordingly, EXIM Bank should have reported the original authorization

[18] Per data standards, the Action Type data element is defined as a "description (and corresponding code) that provides information on any changes made to the Federal prime award. There are typically multiple actions for each award."

[19] Per data standards, the Action Date data element is defined as "the date the action being reported was issued/signed by the Government or a binding agreement was reached."

separately from any subsequent amendments and should have ensured that amendments had an Action Type of "Revision," [20] included the date of the amendment as the Action Date, and included an amendment number in the Award Modification Amendment Number data field. This approach would ensure that both the original authorization and the subsequent amendments have unique records in File D2.

OMB's Management Procedures Memorandum dated May 3, 2016, states:

> *Agencies must ensure that none of their FAINs exceed 30 characters. OMB M-15-12 specifies that once a FAIN is created for a new award, it may not, except in limited circumstances, be modified during the life of the award. The 30 character limit also includes alphanumeric characters and any special characters included in the FAIN. For the purpose of reporting to USASpending.gov, agencies will continue the current practice of reporting the award modification/amendment number and the FAIN in separate fields.*

By not adhering to government-wide data standards for amendments, EXIM Bank reduces the transparency and reliability of its data. In addition, the 18 amendment transactions reported in File D2 were not accurate because they were improperly classified as new actions and 17 had an Action Date of the original authorization date rather than the amendment date, and were not complete because they did not include an Award Modification Amendment Number.

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

Recommendation:

1. We recommend that the SAO and the Working Group develop, document, and implement corrective actions, including modifying source systems, if necessary, to assure that the Bank properly links modifications of loans, guarantees, and insurance to the original award, assigns amendments an amendment number, and properly reports the amendments in File D2.

Management's Response:

EXIM Bank Management concurred with our recommendation and stated it will develop, document, and implement corrective actions to assure loan, guarantee, and insurance amendments are properly linked to the original award, assigned an amendment number, and reported in File D2.

[20] Per DAIMS, Action Types should be classified as (A) New Assistance Award, (B) Continuation (i.e., funding in succeeding budget periods that stemmed from a prior agreement to fund the amount of the current action), (C) Revision (i.e., any change in the federal government's financial obligation or contingent liability in existing assistance transaction amount of the change in funding, or any change in the Recipient Name, Recipient Address, Project Period, or Project Scope), or (D) Funding Adjustment to a Completed Project.

Our Evaluation of Management's Response:

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

Finding 2: EXIM Bank's Required Data Elements Were Not Always Accurately Reported

We determined that EXIM Bank's File D1: *Award and Awardee Attributes – Procurement Awards* and File D2: *Award and Awardee Attributes – Financial Assistance Awards* contained data elements that were not always accurate. We selected a random, statistically valid sample of 268 award-level transactions from the Bank's File D1 and File D2.[21] We tested the accuracy and validity of the data elements reported for each sampled transaction by agreeing each data element to EXIM Bank's systems of record or other authoritative sources.[22] The sample included 20 transactions from File D1 and 248 transactions from File D2.

We found that 82 of the 268 sampled transactions contained at least one data element that was not accurate.[23] This included all 20 of the sampled transactions from File D1 and 62 of the 248 sampled transactions from File D2. We set a confidence level of 95 percent and calculated a projected error rate of 30.60 percent, a lower-limit error rate of 26.14 percent, and an upper-limit error rate of 35.35 percent. Based on our test results, we are 95 percent confident that the population contains between 208 and 280 transactions with at least one inaccurate data element.

Figure 3 presents the data elements containing accuracy errors. At the data element level, we found that 207 of the 8,745 data elements were inaccurate. Specifically, we found inaccuracies in 101 of the 820 data elements in File D1 and 106 of the 7,925 data elements in File D2. Accuracy errors were found in data submitted by the Bank, data extracted by the Treasury DATA Act Broker, and data derived by government-wide intermediary procurement and financial assistance systems. Accordingly, Figure 3 notes the data elements that 1) were derived or partially derived from external systems; e.g., the Federal Procurement Data System – Next Generation (FPDS-NG) and Award Submission Portal (ASP) for financial assistance award data and 2) were erroneously extracted by the Treasury DATA Act Broker. We have included our full test results in Appendix A. The specific results for Files D1 and D2 are discussed further below in the sections *File D1:*

[21] The population size was 792 transactions, 68 of which were procurement actions (File D1) and 724 of which were loan, guarantee, and insurance actions (File D2).

[22] The Federal Spending Transparency Data Standards established by OMB and the Treasury define each of the data elements tested in Files D1 and D2.

[23] For 9 of the 82 transactions with inaccurate data, the data element(s) were inaccurately derived by government-wide intermediary procurement and financial assistance systems or extracted by the Treasury DATA Act Broker.

Award and Awardee Attributes (Procurement Awards) and *File D2: Award and Awardee Attributes (Financial Assistance Awards)*.

Figure 3: Data Elements Tested With Accuracy Errors

Data Elements Tested	Sample [e]			Errors [f]		
	File D1	File D2	Total	File D1	File D2	Total
Action Date	20	248	268	5	17	22
Action Type	20	248	268	0	18	18
Award Description	20	248	268	6	0	6
Business Types [a]	20	248	268	11	27	38
North American Industrial Classification System (NAICS) Code	20	Not Applicable	20	2	-	2
North American Industrial Classification System (NAICS) Description	20	Not Applicable	20	2	-	2
Period of Performance Current End Date	20	237	257	5	2	7
Period of Performance Potential End Date	20	Not Applicable	20	4	-	4
Primary Place of Performance Address	20	248	268	16	0	16
Primary Place of Performance Congressional District [a b]	20	248	268	0	1	1
Amount of Award	Not Applicable	248	248	-	3	3
Current Total Value of Award [d]	20	248	268	7	0	7
Potential Total Value of Award [d]	20	Not Applicable	20	7	-	7
Awardee/Recipient Legal Entity Name [a]	20	248	268	2	2	4
Awardee/Recipient Unique Identifier	20	248	268	5	1	6
Legal Entity Address [a c]	20	248	268	13	29	42
Legal Entity Congressional District [a b]	20	248	268	0	6	6
Ultimate Parent Legal Entity Name [a]	20	Not Applicable	20	6	-	6
Ultimate Parent Unique Identifier [a]	20	Not Applicable	20	10	-	10

Total population 792 transactions; File D1 had 68 transactions and File D2 had 724 transactions.

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

[b] For financial assistance awards, the data element is derived by an external system (typically ASP for financial assistance award data) based upon information provided by the Bank.

[c] For financial assistance awards, the data element is partially derived by an external system (typically ASP for financial assistance award data) based upon information provided by the Bank.

[d] Data from the (1) Current Total Value of Award and (2) Potential Total Value of Award elements are extracted for 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 the system by the agency. The "Total" column contains cumulative amounts computed by FPDS-NG based on the modification amounts entered into the system by the agency. Procurement award modifications, included in our sample, reported values for these elements from FPDS-NG's "Current" column, which displays the modification amount, rather than the "Total" column, which displays the total award value. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements were inconsistent with agency records. Procurement awards (base awards) that were not modified did not produce these same errors. Treasury's PMO Government-wide DATA Act Program Management Office officials confirmed that they are aware that the Treasury DATA Act Broker currently extracts data for these elements from the "Current" column rather than the "Total" column. A Treasury official stated that the issue will be resolved once DAIMS version 1.1 is implemented in the broker and related historical data from USASpending.gov are transferred to Beta.USASpending.gov during fall 2017. Although the Bank does not have responsibility for how data are extracted by the broker, we noted that, had the data been extracted accurately by the Treasury DATA Act Broker, three samples would have been inaccurate due to data entry errors made by the Bank. We did not evaluate the reasonableness of Treasury's planned corrective action.

Data Elements Tested	Sample [e]			Errors [f]		
	File D1	File D2	Total	File D1	File D2	Total
[e] The Bank did not always report optional data elements. In addition, some data elements are only required in either File D1 or File D2.						
[f] Errors are presented by data element, not by transaction. One transaction may have multiple data elements with errors.						

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."

Additionally, OMB Memorandum M-17-04, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, dated November 4, 2016, states:

> *The reporting objective is that for data reported pursuant to FFATA (P.L. 109-282) as amended by the DATA Act (P.L. 113-101), they are sourced from and matched FPDS-NG at the time of quarterly reporting. To increase the likelihood that this objective will be met, the agency SAO will rely on internal controls (A-123) based on FAR required verification and validation for the assurance over Federal procurement awards. …The reporting objective is that data reported in File D2 match the authoritative source (i.e., agency award management systems) for award-level data and the authoritative source. …To increase the likelihood that this objective will be met, the agency SAO will provide assurance that data integrity processes and controls are in place and align with A-123.*

We concluded that the Bank's current controls may not provide reasonable assurance that the data contained in Files D1 and D2 are accurate and complete. In addition, the current controls in place were not designed to detect errors in EXIM Bank data derived by external systems, including the Treasury DATA Act Broker.

File D1: Award and Awardee Attributes (Procurement Awards)

As a result of the DATA Act and OMB and Treasury's issuance of government-wide data standards, EXIM Bank began reporting its procurement actions to FPDS-NG in January 2017. Prior to the second quarter of FY 2017, the Bank was not required to report this information. EXIM Bank's implementation efforts have taken a significant level of effort and have required additional data entry to FPDS-NG by EXIM Bank's contracting officers and contract specialists for EXIM Bank's current-period procurement actions to be reported accurately.

Complicating matters further for the Bank, not all of the required award-level data are automatically fed from Comprizon, EXIM Bank's contracting system, to FPDS-NG. Accordingly, EXIM Bank's contracting officers and contract specialists must manually input certain award-level data into FPDS-NG. We found contracting

officers and contract specialists sometimes used different source information when populating certain data elements in FPDS-NG, such as 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, and other errors found were input clerical errors. Finally, we found inaccurate awardee data that are derived by external systems.[24] Although significant efforts were made by the Bank, the Bank had not developed, documented, and implemented formal procedures to (1) ensure that all contracting officers and contract specialists enter information in FPDS-NG consistently, (2) detect clerical errors, and (3) verify awardee data that FPDS-NG derives from external systems.

File D2: Award and Awardee Attributes (Financial Assistance Awards)
In addition to its FPDS-NG reporting, EXIM Bank began submitting loan, guarantee, and insurance data to USASpending.gov via its ASP in February 2017. The Treasury DATA Act Broker uses this data as the source of File D2. Although the Bank mapped and documented its source data and data transformations for each data element and identified and documented its review process, we noted that the Bank did not detect all erroneous data elements in its submission. This occurred because the Bank did not review all data elements. Rather, the Bank only performed a high-level review of the data that primarily focused on transaction amounts, zip codes that did not have the 4-digit extension, out-of-place null values, missing Dun & Bradstreet Numbers (DUNS numbers), and the aggregated amounts of the Federal Action Obligation.

The Bank only recently began submitting contract, loan, guarantee, and insurance award data to USASpending.gov, and the controls and processes surrounding this submission are still maturing. As such, the Bank faces an increased risk that its extracted data may not be accurate or complete. Moreover, until the Bank designs and implements sufficient controls over Files D1 and D2, including procedures for communicating potential Treasury DATA Act Broker errors to Treasury, the Bank faces an increased risk that its future File D1 and D2 submissions will not be accurate.

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

Recommendation:

We recommend that the SAO and the Working Group:

2. Determine the root cause of the errors that we detected in our testing of Files D1 and D2 and take the necessary actions to correct the errors and revise the relevant

[24] FPDS-NG uses the awardee's Dun & Bradstreet Number (DUNS number) to derive the Awardee/Recipient Legal Entity Name, Legal Entity Address, Ultimate Parent Legal Entity Name and Unique Identifier (DUNS), and Business Type from SAM.

procedures, as appropriate, to ensure that this information is accurately extracted from EXIM Bank's source systems and transferred to FPDS-NG and ASP.

3. Design, document, and implement a process to enter data into FPDS-NG accurately. Procedures should include review processes to help ensure that the Bank detects and promptly corrects any clerical errors and that FPDS-NG data are aligned with supporting documentation and other authoritative sources, such as SAM.

4. Improve the design of the Bank's review of its loan, guarantee, and insurance data submissions to USASpending.gov, including performing a more detailed review and including additional data elements in the review.

5. Design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the Bank's quarterly DATA Act submission. Procedures should include steps for documenting any variances identified, including any necessary corrective actions, and notifying the Treasury DATA Act Broker of any errors identified in data that the Treasury DATA Act Broker uses to derive Files D1 and D2.

Management's Response:

EXIM Bank Management agreed with our four recommendations and stated it will identify the root cause of the errors detected in Files D1 and D2 and take corrective action. It stated it will also improve its documented procedures for entering data in FPDS-NG and update its procurement system to verify awarded actions interface with FPDS-NG correctly, and that it has implemented a reconciliation to assure its award transactions are correct in FPDS-NG. In addition, management said it will improve its review of loan, guarantee, and insurance data submissions to USASpending.gov. Finally, management stated it will design, document, and implement a process for reviewing Files D1 and D2 before certifying the files in the Treasury DATA Act Broker.

Our Evaluation of Management's Response:

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

Finding 3: EXIM Bank's Required Data Were Not Always Completely Reported

We determined that EXIM Bank's submission of financial and award data for publication on USASpending.gov for the second quarter of FY 2017 was not always complete. Specifically, we found that EXIM Bank's summary-level information included in File A: *Appropriations Account Detail* and File B: *Object Class and Program Activity Detail* did not contain all transactions because the Bank excluded one appropriation, its liquating account (Treasury Account Symbol (TAS) X4027). We also found 29 of the 177 transactions in File B did not contain object classes, a required data element. In addition, unpaid obligations reported in File B did not match the Bank's adjusted trial balance as of March 31, 2017 for certain

appropriations. We further determined that, due to timing issues, File C: *Award Financial Detail*, which contained a total of 39 transactions, did not include 17 procurement actions that occurred during the second quarter of FY 2017. Finally, as part of our testing of sampled transactions, we tested linkages between Files D1 and D2 and File E: *Additional Awardee Attributes* and noted that 41 of the 91 awardees or recipients were not included in File E, along with the names of highly compensated officer(s) and their total compensation for two of the omitted awardees.

EXIM Bank Excluded the Liquidating Account from Its Summary-Level Data

EXIM Bank did not report its liquidating account, TAS X4027, *Export-Import Bank of the United States, Liquidating Account*, in File A or B. This occurred because the Bank's management incorrectly determined that its liquidating account should be treated in the same manner as its loan financing accounts, which are not reported under the DATA Act. The liquidating and loan financing accounts are not the same, however. The Federal Credit Reform Act of 1990 defines liquidating accounts as budget accounts and loan financing accounts as non-budget accounts. Because loan financing accounts are excluded from budget totals and the net cash flows do not represent a cost to the government, they are not reported under the DATA Act. In the case of liquidating accounts, net cash flows do represent a cost to the government and therefore should be reported under the DATA Act.

EXIM Bank's File B Did Not Always Include Object Classes

We noted that 29 of the 177 transactions reported in File B did not contain an object class. We also noted that object classes were missing data elements in 25 of the 30 TAS that EXIM Bank reported in File B. Although the Treasury DATA Act Program Office accommodated agencies that could not completely report object classes in summary-level data, the DATA Act requires that agencies report valid object classes in Files B and C.

At the start of our audit, the Bank's SAO and OCFO stated that File B contained invalid object classes due to older transactions and journal vouchers that were recorded in its financial system of record, FMS-NG, without an object class code. They also stated that the Bank was currently developing corrective action plans to address this issue, including documented procedures. By the end of our audit, however, we were informed the Bank had not finalized its corrective action plans due to resource constraints and conflicting priorities. The Bank plans to implement corrective actions no later than the second quarter of FY 2018 and does not plan to implement a temporary process for reporting complete object classes in the interim.

GAO's *Standards for Internal Control in the Federal Government* (GAO-14-704G) states, "Management completes and documents corrective actions to remediate internal control deficiencies on a timely basis.… Management, with oversight from the oversight body, monitors the status of remediation efforts so that they are completed on a timely basis."

Until EXIM Bank designs, documents, and implements sufficient corrective actions, it will continue to report incomplete object classes in File B. Further, EXIM Bank may miss its

target date of the second quarter of FY 2018 for correcting the missing object classes in Files B and C.

EXIM Bank's File B Did Not Include All Unpaid Obligations

File B reports the cumulative amount of federal spending (i.e., unpaid obligations, refunds, and outlays) by TAS, program code, and object class. However, EXIM Bank did not accurately and completely report all spending data as required by the DATA Act and government-wide data standards in its financial and award data submission to USASpending.gov. We identified variances between the amounts reported in File B and the amounts reported in the Bank's adjusted trial balance as of March 31, 2017, at the TAS level. Specifically, we noted:

- The FY beginning balance for U.S. Standard General Ledger (USSGL) 480100, *Undelivered Orders Obligations Unpaid*, in File B totaled $143,703,248; however, the FY beginning balance for USSGL 480100 in the Bank's adjusted trial balance totaled $143,255,727. Accordingly, there was a $447,521 variance between File B and the Bank's adjusted trial balance for the FY beginning balance in USSGL 480100.

- The current-period ending balance in USSGL 480100, *Undelivered Orders Obligations Unpaid*, in File B totaled $180,539,678; however, the current-period ending balance in USSGL 480100 in the Bank's adjusted trial balance totaled $180,309,294. Accordingly, there was a $230,384 variance between File B and the Bank's adjusted trial balance for the current-period ending balance in USSGL 480100.

- The current-period ending balance in USSGL 490100, *Delivered Orders Obligations Unpaid*, in File B totaled $7,165,804; however, the current-period ending balance in USSGL 490100 in the Bank's adjusted trial balance totaled $7,238,004. Accordingly, there was a $72,200 variance between File B and the Bank's adjusted trial balance for the current-period ending balance in USSGL 490100.

The SAO and OCFO were not aware of these variances prior to our audit because EXIM Bank did not fully reconcile File B to its trial balance; instead, the OCFO stated that it performed a high-level visual review of File B that only matched the balances in File B to the balances in File A.[25] We noted that EXIM Bank did not document this review. The SAO relied on the OCFO's review and the validations from Treasury's DATA Act Broker when certifying File B.

GAO's S*tandards for Internal Control in the Federal Government* (GAO-14-704G) 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*

[25] Not all data elements in File B will agree to File A. Files A and B both present Gross Outlays, Obligations Incurred, and Recoveries and Refunds; however, File B also contains USSGL account balances.

> *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.*

Until the OCFO establishes and implements controls to fully reconcile File B to the Bank's adjusted trial balance and the SAO obtains assurance that the OCFO completed the reconciliation, the Bank faces an increased risk of errors in its File B in future DATA Act submissions.

EXIM Bank's File C Did Not Include All Award-Level Financial Transactions

We reconciled File C,[26] which contains award-level financial detail, to File D1,[27] which contains procurement award and awardee attributes, and found that File C did not include 17 of the 68 contract actions reported in File D1. The 17 contract actions occurred during the second quarter of FY 2017 and accounted for $2.7 million of the $7.8 million of federal action obligations reported in File D1.

File C did not include all contract actions that occurred during the second quarter of FY 2017 due to a timing difference between Comprizon and FMS-NG. Once the Bank has approved contract actions in Comprizon and recorded them in FPDS-NG, FMS-NG interfaces with Comprizon to obtain the data. However, the contract actions are manually approved in FMS-NG; depending on the workload of the assigned approver, he or she may not approve the actions until the subsequent month. Because contract actions are not always approved and recorded in FMS-NG timely, discrepancies occur between the contract actions recorded in FPDS-NG, which is the source of File D1, and the contract actions recorded in FMS-NG, which is the source of File C.

Although the SAO and the Working Group were aware of the timing difference between Comprizon and FMS-NG, the SAO did not assure that the Bank had fully reconciled Files C and D1 and documented its reconciliation. The SAO noted that the Bank had performed a review and identified contract actions that were recorded in File D1 but not in File C; however, the Bank did not formally document this review, nor did it perform the review in enough time to research and take corrective actions. In addition, although OCFO personnel compared File D1 to File C, they only verified that all transactions in File C were included in the data downloaded from USASpending.gov (which is equivalent to File D1) and did not reconcile these data to File C. Had the Bank performed such a reconciliation, it would have identified contract actions that were reported in Comprizon and FPDS-NG, and therefore in

[26] EXIM Bank generates File C from the general ledger information contained in its financial accounting system, FMS-NG.

[27] Federal agencies submit procurement award-level data to the FPDS-NG. The Treasury DATA Act Broker generates File D1 from FPDS-NG.

File D1, but not in File C in sufficient time for the SAO and the OCFO to take the necessary corrective actions to assure that File C was complete.

OMB Memorandum M-17-04, dated November 4, 2016, contains requirements for providing reasonable assurance that internal controls support the reliability and validity of linkages across Files A through F. It also requires that the SAO provide categorical explanations of legitimate differences between the files.

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

> *Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.*

As a result of timing differences between EXIM Bank's contracting system and financial system and the lack of complete, timely reconciliations between Files C and D1, the Bank's award-level financial data did not include all contract actions. Moreover, until the Bank ensures procurement actions are recorded timely in FMS-NG and designs, documents, and implements effective reconciliations, it faces an increased risk that it will not fully report its contract actions in its future submissions of award-level data.

EXIM Bank's File E Was Not Complete

File E is extracted by Treasury's DATA Act Broker from SAM. It contains additional awardee attributes, including the names of the awardee's highly compensated officer(s) and their compensation. We tested linkages between Files D1 and D2 and File E and determined that 4 of the 20 sampled transactions from File D1 and 37 of the 71 sampled transactions from File D2 were not included in File E. Moreover, we noted File E should have included the names and compensation levels for the awardee's highly compensated officer(s) for two of the four missing transactions that linked to File D1. Because completeness of File E is a government-wide issue and the Treasury DATA Act Broker prepares this File E, we make no recommendations to the Bank to address the completeness of File E.

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

Recommendations:

We recommend that:

6. The SAO, in coordination with the Working Group, design, document, and implement a periodic process for assessing whether each of the Bank's TAS should

be included in the Bank's financial and award data submitted for publication on USASpending.gov.

7. The OCFO develop, document, and implement internal control procedures to reconcile File B to the adjusted trial balance and File C to File D1 (and vice versa). The process should consider whether adjustments should be made to Files B, C, or D1 and document variances detected.

8. The OCFO and SAO identify and document the root cause of the variances in File B and take timely, appropriate corrective action.

9. The OCFO develop, document, and implement a policy requiring that all journal vouchers adjusting obligated balances include object classes.

10. 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 in all financial and award data submissions (i.e., Files B and C).

11. The OCFO design, document, and implement a process to help ensure that the Bank records contract actions in FMS-NG in a timely manner and at the correct amounts.

12. The SAO, in conjunction with the OCFO, document and follow a process by which the SAO obtains and reviews the completed reconciliations of File B to the adjusted trial balance and of File C to File D1 (and vice versa) before certifying the Bank's quarterly financial and award submissions to USASpending.gov.

Management's Response:

EXIM Bank Management agreed with our seven recommendations and stated it started the necessary corrective actions for reporting its liquidating account. Management also stated it implemented reconciliations of File B to its adjusted trial balance and File C to File D1 and will document these internal control procedures. Additionally, management noted it will 1) identify the root causes of variances in File B and will take timely corrective action, 2) implement a policy requiring object classes for all journal vouchers (JVs), and 3) develop and document corrective actions to assure object classes are accurately and completely reported. In addition, the Bank stated it implemented a monthly report and schedule for FPDS-NG reconciliation to help ensure awards in FPDS-NG are aligned to data in EXIM's financial system. Finally, management stated it will design, document, and implement a process for obtaining and reviewing reconciliations of Files B, C, and D1 before certifying its submission.

Our Evaluation of Management's Response:

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

Finding 4: EXIM Bank Missed the DATA Act Submission Due Date by One Day

EXIM Bank's SAO certified the Bank's DATA Act submission for the second quarter of FY 2017 one day after the due date. The statutory deadline was May 9, 2017, and the Bank certified the submission on May 10, 2017.[28] The Bank initially loaded the files on April 24, 2017; however, the SAO did not certify the files at that time due to the need to research validation warnings from the Treasury DATA Act Broker. The SAO also detected errors related to functions performed by the OCFO and the Office of Resource Management. The SAO, the Office of Resource Management, and the OCFO were able to resolve and correct some but not all of the errors detected in EXIM Bank's financial and award data submission (e.g., the missing object class codes in File B).

The Bank established a DATA Act implementation plan that included tasks, start and end dates, and responsible parties; however, this plan did not allow sufficient time for the SAO and the Working Group to perform quality control procedures and take prompt corrective action. The tight timeline for preparing and reviewing the submission and taking corrective actions requires that all parties promptly perform their assigned roles and responsibilities and prioritize corrective actions.

GAO's *Standards for Internal Control in the Federal Government* (GAO-14-704G) states, "Management communicates quality information down and across reporting lines to enable personnel to perform key roles in achieving objectives, addressing risks, and supporting the internal control system. In these communications, management assigns the internal control responsibilities for key roles."

EXIM did not submit its financial and award data for the second quarter of FY 2017 by the statutory deadline (i.e., May 9, 2017). In addition, without a detailed quality control process documented and in place, the Bank faces an increased risk that its future DATA Act submissions will also be late.

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

Recommendation:

13. We recommend that the SAO and the Working Group reassess their process for generating, reviewing, and certifying DATA Act files and make any adjustments necessary to help ensure that the Bank submits all data to the Treasury DATA Act Broker and the SAO certifies the data within the timeframes prescribed by OMB and Treasury guidance. The SAO and the Working Group should also implement a task

[28] The DATA Act, dated May 9, 2014, requires full disclosure of funds "not later than 3 years after the date of enactment of the Digital Accountability and Transparency Act of 2014, and monthly when practicable but not less than quarterly thereafter...."

schedule for all planned reconciliations and reviews that allows time for necessary corrective actions.

Management's Response:

EXIM Bank Management agreed with our recommendation and stated it will redesign, document, and implement a process to help ensure EXIM Bank submits all information required by the DATA Act timely. Management also noted that it has begun creating a task schedule for all planned reconciliations and reviews that allows for necessary corrective actions.

Our Evaluation of Management's Response:

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

CONCLUSION

We determined that EXIM Bank adhered to all but one of the government-wide data standards and that EXIM Bank's financial and award data submission was not always accurate, complete, timely, or of quality. For each error related to accuracy, completeness, and timeliness, we determined that an error in quality also existed. Lastly, we noted that the Bank certified its financial and award data submission only one day after the statutory deadline of May 9, 2017. In summary, we determined that many of the errors related to accuracy, completeness, and timeliness, which created errors in quality as well, occurred because EXIM Bank has not fully designed and implemented processes, systems, and controls to reasonably assure that its data reported under the DATA Act comply with OMB and Treasury requirements. We recognized that the Bank's processes for implementing the DATA Act requirements are still maturing and the Bank has opportunities to improve the validity and reliability of its quarterly financial and award data submitted for publication on USASpending.gov.

Appendixes

Appendix A: Sample Testing Results with Related Statistical Projections

Figure 4: Characteristics Tested, Errors, Projected Error Rates, Lower- and Upper-Limit Error Rates, and Projected Errors

Characteristic	Population			Sample			Errors			Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate	Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total				Projected Errors	Lower Error Limit	Upper Error Limit
Use of Data Standards	68	724	792	20	248	268	0	18	18	6.72%	4.55%	9.72%	54	37	77
Accuracy	68	724	792	20	248	268	20	62	82	30.60%	26.14%	35.35%	243	208	280
Completeness	68	724	792	20	248	268	0	18	18	6.72%	4.55%	9.72%	54	37	77
Timeliness[a]	68	724	792	20	248	268	1	0	1	0.37%	0.13%	1.64%	3	2	13

[a]We determined the one timeliness error to be within an acceptable number of deviations.

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.

Figure 5: Data Elements Tested, Errors, Projected Error Rates, Lower- and Upper-Limit Error Rates, and Projected Errors

Data Elements Tested	Population			Sample [e]			Errors [f]			Characteristic[g]	Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate	Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					Projected Errors	Lower Error Limit	Upper Error Limit
Action Date	68	724	792	20	248	268	5	17	22	Accuracy (22) & Timeliness (1)	8.21%	5.81%	11.36%	66	47	90
Action Type	68	724	792	20	248	268	0	18	18	Data Standards & Accuracy	6.72%	4.55%	9.72%	54	37	77
Award Description	68	724	792	20	248	268	6	0	6	Accuracy	2.24%	1.14%	4.29%	18	10	34
Award Identification (ID) Number (PIID/FAIN)	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Award Modification/ Amendment Number	68	724	792	20	248	268	0	18	18	Data Standards & Completeness	6.72%	4.55%	9.72%	54	37	77
Award Type	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Business Types [a]	68	724	792	20	248	268	11	27	38	Accuracy	14.18%	10.98%	18.06%	113	87	144
Catalog of Federal Domestic Assistance (CFDA) Number	n/a	724	724	n/a	248	248	n/a	0	0		0.00%	0.00%	0.97%	0	0	8
CFDA Title	n/a	724	724	n/a	248	248	n/a	0	0		0.00%	0.00%	0.97%	0	0	8

Data Elements Tested	Population			Sample [e]			Errors [f]			Characteristic[g]	Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate	Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					Projected Errors	Lower Error Limit	Upper Error Limit
North American Industrial Classification System (NAICS) Code	68	n/a	68	20	n/a	20	2	n/a	2	Accuracy	10.00%	2.94%	27.94%	7	2	19
NAICS Description	68	n/a	68	20	n/a	20	2	n/a	2	Accuracy	10.00%	2.94%	27.94%	7	2	19
Ordering Period End Date	68	n/a	68	20	n/a	20	0	n/a	0		0.00%	0.00%	11.76%	0	0	8
Parent Award ID Number	68	n/a	68	20	n/a	20	0	n/a	0		0.00%	0.00%	11.76%	0	0	8
Period of Performance Current End Date	68	692	760	20	237	257	5	2	7	Accuracy	2.72%	1.45%	5.00%	21	12	38
Period of Performance Potential End Date	68	n/a	68	20	n/a	20	4	0	4	Accuracy	20.00%	8.82%	39.71%	14	6	38
Period of Performance Start Date	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Primary Place of Performance Address	68	724	792	20	248	268	16	0	16	Accuracy	5.97%	3.91%	8.84%	48	31	71
Primary Place of Performance Congressional District [a b]	68	724	792	20	248	268	0	1	1	Accuracy	0.37%	0.13%	1.64%	3	2	13
Primary Place of Performance Country Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Primary Place of Performance Country Name	68	n/a	68	20	n/a	20	0	n/a	0		0.00%	0.00%	11.76%	0	0	8
Record Type	n/a	724	724	n/a	248	248	n/a	0	0		0.00%	0.00%	0.97%	0	0	8
Amount of Award	n/a	724	724	n/a	248	248	n/a	3	3	Accuracy	1.21%	0.41%	3.04%	9	3	23
Current Total Value of Award [d]	68	724	792	20	248	268	7	0	7	Accuracy	2.61%	1.39%	4.80%	21	12	39
Federal Action Obligation	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Non-Federal Funding Amount	n/a	724	724	n/a	248	248	n/a	0	0		0.00%	0.00%	0.97%	0	0	8
Potential Total Value of Award [d]	68	n/a	68	20	n/a	20	7	n/a	7	Accuracy	35.00%	19.12%	54.41%	24	14	37
Awardee/Recipient Legal Entity Name [a]	68	724	792	20	248	268	2	2	4	Accuracy	1.49%	0.63%	3.28%	12	5	26
Awardee/Recipient Unique Identifier	68	724	792	20	248	268	5	1	6	Accuracy	2.24%	1.14%	4.29%	18	10	34
Legal Entity Address [a c]	68	724	792	20	248	268	13	29	42	Accuracy	15.67%	12.37%	19.57%	125	98	155
Legal Entity Congressional District [a b]	68	724	792	20	248	268	0	6	6	Accuracy	2.24%	1.14%	4.29%	18	10	34
Legal Entity Country Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Legal Entity Country Name	68	n/a	68	20	n/a	20	0	n/a	0		0.00%	0.00%	11.76%	0	0	8
Ultimate Parent Legal Entity Name [a]	68	n/a	68	20	n/a	20	6	n/a	6	Accuracy	30.00%	14.71%	50.00%	21	11	34

Data Elements Tested	Population			Sample [e]			Errors [f]			Characteristic[g]	Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate	Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					Projected Errors	Lower Error Limit	Upper Error Limit
Ultimate Parent Unique Identifier [a]	68	n/a	68	20	n/a	20	10	n/a	10	Accuracy	50.00%	30.88%	69.17%	34	21	48
Awarding Agency Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Awarding Agency Name	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Awarding Office Code	68	n/a	68	20	n/a	20	0	0	0		0.00%	0.00%	11.76%	0	0	8
Awarding Office Name	68	n/a	68	20	n/a	20	0	0	0		0.00%	0.00%	11.76%	0	0	8
Awarding Sub Tier Agency Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Awarding Sub Tier Agency Name	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Funding Agency Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Funding Agency Name	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Funding Office Code	68	n/a	68	20	n/a	20	0	0	0		0.00%	0.00%	11.76%	0	0	8
Funding Office Name	68	n/a	68	20	n/a	20	0	0	0		0.00%	0.00%	11.76%	0	0	8
Funding Sub-Tier Agency Code	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Funding Sub-Tier Agency Name	68	724	792	20	248	268	0	0	0		0.00%	0.00%	0.88%	0	0	7
Totals	2,788	23,136	25,924	820	7,925	8,745	101	124	225							

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

[b] For financial assistance awards, the data element is derived by an external system (typically ASP for financial assistance award data) based upon information provided by the Bank.

[c] For financial assistance awards, the data element is partially derived by an external system (typically ASP for financial assistance award data) based upon information provided by the Bank.

[d] Data from the (1) Current Total Value of Award and (2) Potential Total Value of Award elements are extracted for 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 the system by the agency. The "Total" column contains cumulative amounts computed by FPDS-NG based on the modification amounts entered into the system by the agency. Procurement award modifications, included in our sample, reported values for these elements from FPDS-NG's "Current" column, which displays the modification amount, rather than the "Total" column, which displays the total award value. As a result, data for the Current Total Value of Award and Potential Total Value of Award elements were inconsistent with agency records. Procurement awards (base awards) that were not modified did not produce these same errors. Treasury's PMO Government-wide DATA Act Program Management Office officials confirmed that they are aware that the Treasury DATA Act Broker currently extracts data for these elements from the "Current" column rather than the "Total" column. A Treasury official stated that the issue will be resolved once DAIMS version 1.1 is implemented in the broker and related historical data from USASpending.gov are transferred to Beta.USASpending.gov during fall 2017. Although the Bank does not have responsibility for how data are extracted by the broker, we noted that, had the data been extracted accurately by the Treasury DATA Act Broker, three samples would have been inaccurate due to data entry errors made by the Bank. We did not evaluate the reasonableness of Treasury's planned corrective action.

[e] The Bank did not always report optional data elements. For those attributes for which the Bank did not report optional data elements, we estimated the population size based on the ratio of transactions tested to the overall sample size. In addition, the Bank included certain data elements only in either File D1 or File D2. We adjusted the population of these attributes accordingly.

Data Elements Tested	Population			Sample [e]			Errors [f]			Characteristic[g]	Projected Error Rate	Lower-Limit Error Rate	Upper-Limit Error Rate	Projected Errors		
	File D1	File D2	Total	File D1	File D2	Total	File D1	File D2	Total					Projected Errors	Lower Error Limit	Upper Error Limit
[f] Errors are presented by data element, not by transaction. One transaction may have multiple data elements with errors.																
[g] Characteristic presented only if the data element was tested with at least one error.																
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.																

Appendix B: Management Response

EXIM
EXPORT-IMPORT BANK OF THE UNITED STATES

Reducing Risk. Unleashing Opportunity.

November 3, 2017

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

Dear Acting Inspector General Settle,

Thank you for providing the Export-Import Bank of the United States ("EXIM") Management with the Office of the Inspector General's (OIG) "Independent Auditors' Report on the Export-Import Bank's DATA Act Submission" (November 2017). Management continues to support the OIG's work which complements EXIM's efforts to continually improve its processes. EXIM Bank is proud of the strong and cooperative relationship it has with the OIG.

EXIM appreciates that the auditors noted that "EXIM Bank has invested significant effort in implementing processes for responding to DATA Act Requirements". EXIM worked diligently to prepare for its first official DATA Act Submission. The Bank is committed to cooperation with the OIG and will work with staff on implementing all recommendations that resulted from this assessment.

Recommendation 1: It is recommended that the SAO and the Working Group develop, document, and implement corrective actions, including modifying source systems, if necessary, to assure that the Bank properly links modifications of loans, guarantees, and insurance to the original award, assigns amendments an amendment number, and properly reports the amendments in File D2.

Management Response: Management agrees with this recommendation. EXIM Bank will develop, document, and implement corrective actions to assure financial assistance amendments are properly linked to the original financial assistance award, are assigned an amendment number, and are duly reported in File D2.

Recommendation 2: Determine the root cause of the errors that we detected in our testing of Files D1 and D2 and take the necessary actions to correct the errors and revise the relevant procedures, as appropriate, to ensure that this information is accurately extracted from EXIM Bank's source systems and transferred to FPDS-NG and ASP.

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exim.gov

Management response: Management agrees with this recommendation. EXIM Bank will determine the root cause of errors detected in the sample of Files D1 and D2 and will take the necessary action to correct the errors and revise its processes for extracting this data from its systems.

Recommendation 3: Design, document, and implement a process to enter data into FPDS-NG accurately. Procedures should include review processes to help ensure that the Bank detects and promptly corrects any clerical errors and that FPDS-NG data are aligned with supporting documentation and other authoritative sources, such as SAM.

Management Response: Management agrees with this recommendation. Contracting office will prepare a more detailed set of procedures to enter data into FPDS-NG. A series of change requests were placed for the acquisition software Comprizon to verify that all awarded actions correctly interphase with FPDS-NG. A monthly report and schedule for FPDS reconciliation was implemented, making sure all transactions are entered correctly and data is aligned with FMS and acquisition software. Two contracting officers were designated to handle FPDS and Comprizon data quality and one POC was assigned to SAM.

Recommendation 4: Improve the design of the Bank's review of its loan, guarantee, and insurance data submissions to USASpending.gov, including performing a more detailed review and including additional data elements in the review.

Management Response: Management agrees with this recommendation. EXIM Bank will improve the design of its review of financial assistance award data submissions to USASpending.gov.

Recommendation 5: Design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the Bank's quarterly DATA Act submission. Procedures should include steps for documenting any variances identified, including any necessary corrective actions, and notifying the Treasury DATA Act Broker of any errors identified in data that the Treasury DATA Act Broker uses to derive Files D1 and D2.

Management Response: Management agrees with this recommendation. EXIM Bank will design, document and implement a process for reviewing Files D1 and D2, which are created by the DATA Act broker, prior to certification.

Recommendation 6: The SAO, in coordination with the Working Group, design, document, and implement a periodic process for assessing whether each of the Bank's TAS should be included in the Bank's financial and award data submitted for publication on USASpending.gov.

Management Response: Management agrees with this recommendation. The Bank requested a Change Request which was created to include the liquidating account the next reporting cycle. All other required TAS accounts were reported. Additionally the Bank will design, document, and implement a periodic process for assessing whether each of the Bank's TAS should be included in the Bank's financial and award data submitted for publication on USASpending.gov.

Recommendation 7: The OCFO develop, document, and implement internal control procedures to reconcile File B to the adjusted trial balance and File C to File D1 (and vice versa). The process should consider whether adjustments should be made to Files B, C, or D1 and document variances detected.

Management Response: Management agrees with this recommendation. The Bank has implemented and will document internal control procedures to reconcile File B to the adjusted trial balance and File C to File D1 (and vice versa).

Recommendation 8: The OCFO and SAO identify and document the root cause of the variances in File B and take timely, appropriate corrective action.

Management Response: Management agrees with this recommendation. The Bank will identify and document the root cause of the variances in File B and take appropriate and timely corrective action to inure accuracy of Data Act reporting.

Recommendation 9: The OCFO develop, document, and implement a policy requiring that all journal vouchers adjusting obligated balances include object classes.

Management Response: Management agrees with this recommendation. In May 2017, EXIM Bank identified BOCs labeled as "000" and noted them as immaterial. EXIM Bank assessed resources and deemed the project to be scheduled as a priority project for FY 2018. The policy will be documented and implemented.

Recommendation 10: 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 in all financial and award data submissions (i.e., Files B and C).

Management Response: Management agrees with this recommendation. As part of the priority project noted in response to recommendation #9, the Bank will develop and document a corrective action plan to assure that the Bank accurately and completely reports object classes in all financial and award data submissions (i.e., Files B and C).

Recommendation 11: The OCFO design, document, and implement a process to help ensure that the Bank records contract actions in FMS-NG in a timely manner and at the correct amounts.

Management Response: Management agrees with this recommendation. A monthly report and schedule for FPDS reconciliation was implemented, ensuring that all transactions are entered correctly in FPDS and data is aligned with FMS-NG.

Recommendation 12: The SAO, in conjunction with the OCFO, document and follow a process by which the SAO obtains and reviews the completed reconciliations of File B to the adjusted trial balance and of File C to File D1 (and vice versa) before certifying the Bank's quarterly financial and award submissions to USASpending.gov.

Management Response: Management agrees with this recommendation. EXIM Bank will design, document and implement a process for obtaining and reviewing the completed reconciliations of File B to the adjusted trial balance and File C to File D1 before certifying the Bank's quarterly financial and award submissions to USASpending.gov.

Recommendation 13: We recommend that the SAO and the Working Group reassess their process for generating, reviewing, and certifying DATA Act files and make any adjustments necessary to help ensure that the Bank submits all data to the Treasury DATA Act Broker and the SAO certifies the data within the timeframes prescribed by OMB and Treasury guidance. The SAO and the Working Group should also implement a task schedule for all planned reconciliations and reviews that allows time for necessary corrective actions.

Management Response: Management agrees with this recommendation. EXIM Bank will redesign, document and implement a process that will help ensure that EXIM submits all data to the Treasury DATA Act Broker and that the SAO certifies the data within the timeframes prescribed by OMB and Treasury guidance. EXIM Bank has already begun creating a task schedule for all planned reconciliations and reviews that allows time for necessary corrective actions.

We thank the OIG for your efforts to ensure the Bank's policies and procedures continue to improve, as well as the work you do with us to protect Ex-Im 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,

Charles J. Hall
Chairman of the Board of Directors and President (acting)
Export-Import Bank of the United States

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