

Transparency & Accountability In Government

1.0 - Background

Since September 26, 2006 the Federal Government has enacted three Public Laws that have identified accountability and transparency in government as primary objectives for the improved oversight and management of government. The initial legislation, Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 (FFATA) identified the purpose of the legislation as defined by Senate Report 109-329 with respect to Senate Bill S. 2590, to “increase transparency and accountability of Federal government expenditures by providing access to information on Federal funding awards through a single, searchable, publicly-available Web site.” The Conference Report further provides the additional views of the Senate Bill Sponsor Senator James Coburn and Senator Frank Lautenberg by identifying: “Transparency in government decision-making should not be limited simply to spending; it should also be extended to the decisions Congress makes about the tax code.”

Since the passage of FFATA, the nation’s financial crisis has generated two additional Public Laws and Senate Bill S.3077 of the 110th Congress that have reinforced the initial objective of FFATA. Senate Bill S.3077 was introduced “To strengthen transparency and accountability in Federal Spending” primarily through performance and procurement oversight, Public Law 110-343, Emergency Economic Stabilization Act of 2008, provides for a Troubled Asset Relief Program, (EESA/TARP) and Public Law 111-5, American Recovery and Reinvestment Act of 2009 (ARRA) provides for fiscal stimulus. The latter two Acts authorized over \$1.5 trillion for the purposes of providing stability to and preventing disruption in the economy and financial system and protecting taxpayers and general fiscal stimulus with provisions for accountability and transparency of Federal spending. The original FFATA covers another approximate \$1.5 trillion in contract, grant, and loan payments.

2.0 - Statement of the Problem

The foregoing legislation also proposes solutions to overcoming Federal financial management problems by proposing new requirements for accountability and transparency that are not currently available through the Federal Government financial management and information architecture infrastructure. The critical source data that is required, i.e., expenditures data related to sub tier contracts, grants, and loans is not accounted for within the Federal Government’s Core Accounting Systems nor in some instances accounted for by the recipients of Federal funding. In addition, the Federal Government’s information technology infrastructure is also not a single architecture and does not connect to the private sector for the collection of the data necessary to meet the FFATA, EESA/TARP, and ARRA legislation. The foregoing problems is two fold, i.e., 1) to provide a short term solution to meet immediate financial information management needs of the Federal Government with existing technology and 2) initiate a long term solution that builds an integrated financial and information management infrastructure to replace the short term solution with a solution that can evolve in a managed information environment, i.e., functional financial management needs that is enabled by modern information technology architecture.

3.0 - Business Solution

A business solution that meets the foregoing problem definition is also governed by existing Federal Government Policy regarding financial and information management. The following two OMB Circulars provide this direction: OMB Circular A-127, Financial Management Systems and OMB Circular A-130, Management of Federal Information Resources. OMB Circular No. A-127-Revised, Transmittal Memorandum No. 2, Section 8d(1) requires the *"Use of "Off-the-Shelf" Software*. Agencies replacing software to meet core financial system requirements are required to use the GSA FMSS Multiple Award Schedule until its expiration on September 30, 1999. As of October 1, 1999 agencies replacing software to meet core financial system requirements are no longer required to use the GSA

FMSS Multiple Award Schedule; they must use "off-the-shelf" software that has been tested and certified through the JFMIP software certification process as meeting JFMIP Core Financial Management System Requirements.” In addition section 8d(1) also states “OMB policy pertaining to using "off-the-shelf" software is contained in OMB Circular A-130 and must be followed when replacing financial management systems.” OMB Circular A-130 Section 8b(4) states: “Commercial-off-the-shelf (COTS) products can provide agencies a cost effective and efficient solution. However, often COTS products require customization for seamless use. Therefore agencies must still thoroughly examine the impact of a COTS product selection.

The accountability and transparency problem defined in Section 2.0 can be met in the short term with Commercial-Off-The-Shelf products and existing information technology and migrated in the longer term to modern information management architecture.

A short term solution is two phase. Phase I will establish a COTS Enterprise Data Warehouse (EDW) operated by a Shared Service Provider (SSP). Using existing data collection IT capabilities, (FTP, ETL & XBRL or direct web entry) as supported by Federal Agencies, collect the required financial data from Agency Core Accounting Systems. Populate the Data Warehouse with the Agency data using Master Data Management (MDM) system capabilities and civilian agency Common Governmentwide Accounting Classification (CGAC) and Defense Standard Financial Information Structure (SFIS) taxonomy. Provide access to the Data Warehouse through the Internet and provide COTS Business Intelligence and other Analytical tools for information retrieval and manipulation by the public.

Concurrently during implementation of the short term solution, initiate a long term migration Phase II that follow a System Development Life Cycle (SDLC) methodology and begins with establishing a Business Case for managing accountability and transparency of Federal Government spending.

4.0 – Vendors and Commercial-Off-The-Shelf Technology

- Lockheed Martin Corporation – To provide Management, Integration, Hosting, and IV&V
- Eagle Eye Publishers, Inc. – To provide COTS FFATA application software
- Teradata Corporation – To provide COTS Enterprise Data Warehouse hardware and software and Analytics and Business Intelligence software
- Orion Microsystems, Inc. - To provide COTS Sub-Tier Contractor and Grantee data collection software and performance measurement software
- KPMG – To provide Accounting, Auditing, Risk Assessment, Internal Control (OMB Circular A123) and OMB Circular A-11 Part 7, Exhibit 300, PLANNING, BUDGETING, ACQUISITION, AND MANAGEMENT OF CAPITAL ASSETS, technical consultant services.
- Financial Management Services, Inc. – To provide Subject Matter Expert (SME) regarding Federal Financial Management policies, procedures, and operating knowledge.

5.0 - Business Opportunities

Business opportunities associated with the Federal Government accountability and transparency initiative include:

- System development and integration related to Federal, State & Local Government, and commercial for-profit and non-profit entities providing required Federal data.
- Shared Service Provider (SSP) hosting services to maintain the EDW under defined a Service Level Agreement (SLA) that maintains the currency of information technology hardware and software and customer response time and “defined” information needs and access.
- Expanded EDW opportunities beyond Federal spending criteria identified in the Federal legislation to other commercial and environmental information management needs.