



Collaboration & Transformation  
Financial Management Committee

DATA Act Co-Leads:  
Herschel Chandler, [Herschel.Chandler@iui.com](mailto:Herschel.Chandler@iui.com)  
KC McHargue, [KMchHargue@e3federal.com](mailto:KMchHargue@e3federal.com)

## US Treasury Data Transparency Town Hall September 26, 2014

I'm Herschel Chandler with Information Unlimited, Inc. I, along with my co-lead KC McHargue from E3 Federal, am leading a DATA Act Project through the American Council for Technology – Industry Advisory Council. Our project conducts research and provides information on different facets of DATA Act implementation. We conducted four panels over the summer. We're gearing up to publish briefs in the winter. We look forward to our continuing collaboration with Treasury and OMB. We have a lot more planned if anyone would like to participate through ACT-IAC.

I'd like to begin by addressing the two questions that were posed:

### **What is possible from a technical implementation perspective for improving access to data?**

Access to data in today's data-driven world is the norm. American companies have led innovation in using data to drive efficient operations with data being a key differentiator of leading companies. The US Government can use that same technological innovation to optimize efficiency and performance in federal financials from obligation to payment. The mature technology exists today to provide detailed access to integrated data – technology isn't the challenge.

### **What is possible from a technical implementation perspective for displaying federal spending information in graph or other visual formats?**

Data visualization technology is used to not only easily represent proportions and trends by different dimensions such as department, program or congressional district - but to place the data in context through things like geo-coding. Build a map and they'll love it.

Being able to drill down and across and roll back up another way through that visualization is also key as citizens explore their data. But this functionality of drilling up and down and

American Council for Technology-Industry Advisory Council (ACT-IAC)  
3040 Williams Drive, Suite 500, Fairfax, VA 22031  
[www.actiac.org](http://www.actiac.org) • (p) (703) 208.4800 (f) • (703) 208.4805

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around requires a degree of data standardization that will take time to fully implement. We'll touch on this more in a moment.

What's great about a tenant of the DATA Act, machine-readable data, is that the government just provides the data and an easy way to access it - citizens build the apps or programs to visualize it.

I'm going to talk about a few keys to success and then turn it over to KC to talk about what you should be doing now.

1. An early focus on data governance and data quality
  - Accept that data quality is not maintained at 100%; don't wait for perfect data.
  - Provide robust metadata to place data in context and describe fitness for intended use
    - Includes not only context – but data quality metrics – transparency in the quality of the data
    - Define levels of data quality – some elements are more important than others
  - Provide a single, consistent financial hierarchy and taxonomy for reporting and decision making that uniquely and dependably identifies all entities over time.
  - *“Publish the same data to the public that agencies are using for decision making. Best way to ensure data quality to make sure that the data is being used by the data owner.” – Christina Ho*
2. A middle and a late term focus on data governance and data quality
  - Data governance is an ongoing process. Systems change. Organizations change. People change.
    - Information is an asset, the value of which may grow or diminish over time
    - Data quality will be good once the system is moved to production, but begins to degrade on Day 2

- Provide an adjudication method for data quality concerns. Provide a feedback mechanism to engage the citizen in discovery of data quality anomalies – something similar to the google maps report feature. Crowd source data quality.
  - The RATB experience shows that the people that post the data are held responsible for the data. Push data quality back to agencies.
  - Differing levels of data edits on incoming data with consistent, enterprise, government-wide audit, balance and control mechanisms
3. Use an iterative implementation approach
- RATB had 99 data elements; FFATA around 55 elements
  - Building upon small, incremental successes
  - Start with the top 10 – but start soon to begin working through the process thus making later iterations easier
  - Pilot small and large
    - Fail fast if you're going to fail
4. Accept that this is not a technology problem
- *“The challenge is not technology, there is technology to handle this – its people and organizational development – getting through the bureaucracy.”* – Mike Wood, was Executive Director of RATB
  - The technology to support this effort has been around for a while. It takes sharp people a little time to implement – but it’s been done before.
  - Get people to buy into the intent of the law, not just the letter of the law.

With that final point, I thank you for your time and will turn it over to KC to talk about things you should be doing now.

**Good afternoon, my name is KC McHargue and I am a Senior Manager and Financial Management Capability Lead at E3 Federal Solutions, LLC. I am also the Co-Lead for the ACT-IAC DATA Act Project.**

**Throughout the course of the ACT-IAC DATA Act Panel series, we heard from government and industry alike on the promise of the DATA Act and what agencies should be thinking about as they move to implement requirements and transform the ways they collect and share data.**

We had guest panelists from organizations such as Treasury, GSA, and Department of Homeland Security. Just some of the quotes captured to consider included:

Ryan Swann from GSA said, *“Data is becoming more and more important across various administrative functions not just financial...data standards and data quality are what we should be looking at across administrative and mission data so we can get a handle on what we have and help us to graduate from diagnostic analysis to prescriptive and predictive analysis.”*

Christina Ho from Treasury said, *“If I were at an agency, I’d be thinking about my data quality right now without even knowing the standard.”*

**So, considering the task of implementing DATA Act requirements in an organization, how can we get started now?**

**First, we should lean in and reach out – No one is alone in this effort – Throughout Industry and Government there are many resources available to us; and, we certainly need each other to be successful.**

Agency leadership and program managers should reach out to other Government and Industry professionals and organizations that have achieved success on other large programs using similar governance and implementation approaches such as:

- The Recovery Accountability and Transparency Board (RATB)
- Securities and Exchange Commission (SEC)
- Federal Deposit Insurance Corporation (FDIC)
- Department of Homeland Security (DHS) National Information Exchange Model (NIEM)

Of course, Government and Industry associations such as ACT-IAC are available to provide expertise and communication channels to gather and share information on best practices, lessons learned, and innovative solutions.

**Along with this we need to establish and promote a culture in our organizations that understands and can evangelize the mission of the DATA Act.**

- This includes identifying the data champions and sponsors in your organization that you can empower to build the collective commitment to implement DATA Act reporting requirements

- For example, US Department of Commerce announced their intention to appoint their first Chief Data Officer and create a data advisory council composed of private-sector members to advise the Commerce Department on how to use government data.
- Secretary of Commerce, Penny Pritzker has said, *“Unleashing the full force of our data will be a source of innovation, a cornerstone of economic opportunity for businesses and entrepreneurs, and a foundation for greater prosperity for millions of families.”*
- Where I spend my day job as a contractor supporting DHS HQ, the DATA Act has been on the agenda since the first comments the Department provided on the draft legislation. Agencies like DHS have identified the DATA Act implementation as a major initiative and are already executing data calls with Components to gauge impact and promote participation in working groups. Many agencies are actively involved in or planning on DATA Act pilots – so stay tuned...

**Establish a strong data governance process with steering committees and stewards to communicate change and build a coalition in the organization.**

- Understand that implementing these solutions requires cultural and organizational change management.
- Engage business owners from the beginning, capture their expectations and define the roles and responsibilities to ensure strong participation to meet established goals.
- Ensure that there is a defined framework that discourages bad habits and inefficient business practices.
- Promote data quality and accuracy now, and emphasize that it is expected to be a continuous process.
- Above all, enforce the data governance you establish and document non-compliance for action and remediation.

**Establish and follow enterprise architecture processes to identify current systems, projects and resources/stakeholders that will be affected or leveraged.**

- Include enterprise architecture assessment to identify interdependencies and opportunities for interoperability among systems.
- During financial system modernization efforts at DHS we've worked closely with DHS EA Center of Excellence on the financial management segment architecture to identify risks and mitigations to integrating various data requirements of similar scope to the DATA Act.
- Align DATA Act timelines with current and future system implementations that are determined to be impacted by the new requirements.
- One item to note is with the recent financial shared service provider (FSSP) initiative, agencies need to consider how a potential FSSP partner will be implementing DATA Act requirements. What might the implications be for an agency implementing DATA Act efforts in conjunction with migrating to an FSSP such as access to data, interfaces, and security concerns?
- All of these approaches provide an economic way to integrate DATA Act requirements within current program efforts using the resources that will bear the most significant burden to implement and stakeholders that will be impacted.

**Perform a data assessment now that includes an inventory of your financial and mixed systems data, owners, sources, and subject matter experts.**

- Where is the data? How does the data flow? Who are the folks in your organization that know your data? What industry tools are available to facilitate the assessment?
  - Where are the data repositories and existing business intelligence and data warehouse solutions?
  - Identify the “authoritative” data sources.
  - Identify target sources and systems for consolidation and standardization.
- Map high level data flows
  - Consider how current business processes drive data collection and processing complexities – think about possible integration points.
  - Identify ways to update policies and streamline business processes to foster information exchange based on common data standards.
- Continue active governance to engage the stakeholders and data owners for these data collection systems and sources.
- Begin the conversation now communicating across these groups maturing and improving the governance process along the way.

**Establish and execute efforts to standardize data across your organization now.**

- Build a data dictionary to capture data elements.
- Perform data profiling and consider that data elements fall into several key categories: organizational, geographical, budgetary/financial, programmatic, personnel, and many others.
- Consider the disparity in core financial management systems and mixed systems and the very different business needs that produce very different data elements.
- Document the business rules and different internal standardizations – Think about reuse and the user needs.
- Build an internal taxonomy and focus on the goal for a common, uniform lexicon to ensure there is both content and context.
- Identify data stewards for data element sets - SMEs for data elements.
- During the DATA Act panels, DHS guest panelists shared recent data standardization examples such as the Accounting Classification Structure (ACS).
  - This was a major milestone in standardizing financial data across the agency and enables standardized internal and external financial reporting and business analysis.
  - Efforts such as this include strong data governance, including roles and responsibilities, the data model, definitions, and data formats for all data elements, and detailed information on agency-defined fields.

**So while we anticipate more to come from Treasury and OMB and as there may be more changes to come, we can still consider the resources, best practices and cases I’ve just shared help us in our own efforts to improve data transparency, governance, quality and reporting and truly realize the promise of the DATA Act. THANK YOU!**