

September 16, 2009

To: ARRA Agency Accountability Officers

From: Matthew Fritz and Mary Anne O'Neill, Connecticut ARRA Coordinators

As you know, the first Office of Management & Budget (OMB) quarterly report for ARRA monies is due October 10, 2009. OMB has issued guidance for reporting requirements in its June 22, 2009 Memorandum for the Heads of Departments and Agencies and in particular, has set forth data quality (i.e., accuracy, completeness and timely reporting of information) requirements in Section 4.

It is of utmost importance, therefore, that controls and procedures are established by prime recipients to ensure the integrity of the information reported, and that material omissions and significant reporting errors be detected and corrected in a timely manner. To this end, we are asking that each agency develop a written Data Quality Plan by September 30, 2009 for all ARRA reports and post such plan on the agency's website. Such plan shall, at a minimum, address the following elements to ensure data quality:

- ***Timelines, Responsible Persons and Procedures*** – The plan must provide timelines and procedures for receiving information from subrecipients, entering data into the report template, reviewing the information contained in the report and validating information posted on federalreporting.gov. It must also set forth designated individuals to be responsible for preparing, editing and reviewing the report. Procedures should entail the following data control components:
 - Data validation of all mandatory fields (e.g., accuracy; proper field lengths; formatting; award number, DUNS and CFDA match values on the federal ARRA award, etc.)
 - Control totals (e.g., total sub-recipient funds disbursed are not greater than amount of award; or total federal amount of ARRA expenditure should not exceed the amount of award) and verification that reported information matches the established control totals
 - Data review protocol or automated process that identifies incongruous results (e.g., total amount spent on a project or activity is less than the previous reporting period)

- Cross-validation of data to identify and eliminate potential “double counting” (e.g., count both disbursements to sub-recipients and sub-recipient reported expenditures)
- Maintenance of an error/omission log to track instances and corrective actions taken
- Procedure for review and update of the data quality plan, as necessary due to changes in operations, federal or state guidance, or other circumstances
- **Data Integrity Review** – At least one individual, other than the report’s preparer must be designated to review the report. Not only should the report be reviewed to ensure that it ties to source information, but it also should be reviewed for reasonableness – e.g., for cumulative statistics, do the values increase over what was reported in prior months? Do the number of jobs created or retained reasonably correlate with the dollars awarded to an entity? How does actual data compare to expected data or plan? Are there any significant outliers?
- **Compliance Review** – At least one individual must be designated to review the report for compliance with federal and state mandates - e.g., are job numbers being calculated according to OMB guidance? Does it appear that federal Bacon-Davis wage requirements are being complied with, when applicable?
- **Recordkeeping** – Source documentation substantiating the report, including reports from CORE-CT and other systems as applicable, subrecipient reports and federal agency award information, along with signoff that data integrity and compliance reviews were performed, must be retained in an easily accessible manner to serve as an audit trail in the event that federal or state officials have questions or wish to perform their own review.

Please tailor these principles to the particulars of your agency and your report’s data elements. Agencies should use their discretion in determining the optimal method for ensuring data quality and detecting and correcting material omissions or significant reporting errors.

As always, feel free to call or e-mail us with any questions or concerns.

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