



U.S. Small Business Administration
Washington, D.C. 20416

**Testimony of Timothy Gribben
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U.S. Small Business Administration
Before the
Committee on Oversight and Government Reform
Subcommittee on Government Operations
United States House of Representatives
December 8, 2016**

On behalf of Administrator Maria Contreras-Sweet, I want to thank you Chairman Meadows, Ranking Member Connolly and distinguished members of the subcommittee for the opportunity to discuss the Small Business Administration's efforts to increase transparency and accountability in financial management through implementation of the DATA Act. I am pleased to inform the subcommittee that SBA has successfully generated the required DATA Act files and passed the Broker's validation tests. In fact, SBA has the distinction of being the first CFO Act agency to complete its implementation work, six months ahead of the May 2017 implementation date.

DATA Act Implementation

SBA initiated the DATA Act project in September 2014 and developed an overall timeline to complete the project in compliance with DATA Act reporting requirements. SBA's financial systems are current generation, and data quality standards have been in place such that we perform monthly reconciliations of information currently reported in government-wide systems (e.g., USA Spending and FPDS-NG). SBA also benefits from having financial systems supported by qualified functional and technical leads. As an added benefit, SBA had already completed the work necessary to link award data between the management systems and its financial system, which is the most difficult requirement inherent in DATA Act reporting.

In April 2015, Treasury deployed a technology project called the DATA Act Broker pilot with SBA, which was a proof-of-concept effort designed to develop a data taxonomy necessary to map and reconcile agency management system data with agency financial system data. The original Broker concept was to reach into agencies' source systems, validate in real-time, and transform source system data to the DATA Act schema. Since then, the pilot's iterative approach to the Broker implementation has evolved to a revised concept of agencies generating and submitting three standardized files to the Broker: (1) File A, appropriations account information; 2) File B, treasury account symbol program activity and object class; and (3) File C, award financial data. File D, which contains award and awardee information for

procurement and financial assistance awards, will be generated by the DATA Act Broker and presented to agencies for final confirmation and submission.

In December 2015, Treasury began using a testing environment, called a “sandbox,” for Federal agencies to voluntarily test their data files using the prototype Broker. The purpose of sandbox testing was to help agencies further their implementation plans, gain an understanding regarding how the agency data submission process might work, and obtain early feedback from agencies.

Foreseeable Challenges

Challenges with Reconciliation

SBA currently reports financial assistance awards to USASpending.gov for loan guarantees and business direct loans, SBIC debentures, grants and cooperative agreements, and contract awards and is able to validate the reported data against internal system data. Under the pilot SBA successfully tested the generation and submission of four data files – A, B, C and D. Now that File D is being provided by the Broker and the agency is not able to modify File D, the SBA does not know what challenges may exist with data reconciliation. SBA is especially concerned about how the reporting cadences between the different award submissions may affect our ability to reconcile File D to File C.

Data Quality and Integrity

Source systems are managed by program offices within SBA, so a standard approach to ensuring data validity is vital. SBA will seize the opportunity created by meeting DATA Act reporting requirements to strengthen agency data policies and standardization of data definitions. SBA will designate a Chief Data Officer to oversee a multi-tiered review of agency reporting data and implement a business intelligence and analytics solution for consolidated agency data. This is a challenge because SBA’s programs are executed through a variety of third party partners including financial institutions. While data capture fields have been strengthened through the use of validation edits in recent years, historical data may not be of similar quality. As well, changes to data capture requirements will take time to communicate to and train in these third party organizations. SBA will utilize system controls as much as possible to obtain consistent quality data at point of entry to our automated systems.

Audits and Public Inquiries

One of the primary goals of DATA Act implementation is to create a complete picture of Federal spending for public consumption. SBA anticipates a significant increase in public inquiries and requests for information due to an incomplete understanding of the reporting complexities for SBA’s loan guaranty and surety bond programs. Further, announced audits from the SBA Inspector General in addition to the yearly IT systems security reviews, FISMA audits, A-123 reviews, and system certification and accreditations without additional staff will put a burden on limited staff and necessitate additional resources.

Process Going Forward

Managing Costs

To help reduce costs, SBA plans to utilize the functionality of the Treasury-developed data Broker to lessen the burden of merging and validating agency data. However, pre-submission validation and extensive testing of the data files to ensure proper reconciliation will be required. The agency will implement tools to incorporate both DATA Act requirements and agency data analysis to help keep costs to a minimum and will develop automated processes at available opportunities to reduce errors and costs associated with human intervention. Despite all these best efforts and practices, additional resources continue to be needed to support the on-going reviews, audits, and updates as required by the DATA Act.

Uses of Standardized Data in Agency Management Reporting

SBA plans to leverage the data extracted from source systems to help management make informed business decisions. This will involve acquiring Business Intelligence and Analytics tools. The Agency will also assess the feasibility of using the existing Office of Financial Systems Data Mart (OFSMart) as the data warehouse to integrate with these tools. OFSMart currently houses SBA loan data, standardized for reporting purposes and will be expanded to include grant, contract, and financial data. When fully implemented, it is expected that OFSMart will be used for data analysis, and management reporting. SBA will also use this environment to conduct pre-submission validation of agency data. SBA will use the new reporting requirements as an opportunity to modernize our data standardization and data quality programs.

Creating Value through Better Access to Data

SBA's ability to understand the benefits that can be realized through implementation of the DATA Act has been informed by our participation in Treasury's pilot. By being able to see the visualization created with our FY 2014 contracts and grants data, we have been able to identify four key benefits that should be realized by all agencies upon implementation.

- **Provide transparency:** by reducing fraud and mitigating risk. For example, we now have greater ability to identify data outliers, which reduces the risk of fraud and facilitates internal control and improper payment reviews and improves ability to identify data anomalies.
- **Greater Insights:** by identifying efficiencies across programs.
Customize services/actions: by segmenting populations to customize actions. For example, the parsed data increases our ability to improve program delivery across different segments of the population and diverse geographic areas.
- **Enable data driven decisions:** by providing data that facilitates faster, more accurate performance based decisions.

Conclusion

On behalf of SBA, I appreciate the opportunity to testify today and share with you information on the significant progress we have made on implementing the requirements of the DATA Act,

and in particular the work we have accomplished with Treasury on devising a technology solution for the Broker.

I welcome any questions you may have.



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Tim Gribben

Chief Financial Officer



Tim Gribben was appointed the Chief Financial Officer of the Small Business Administration in October 2016, assuming approximately 130 federal employees' responsibility for all aspects of the agency's financial operations, including the preparation and submission of financial statements. As Deputy CFO, Mr. Gribben oversees all financial operations through locations in providing agency-wide services including Financial Modeling, Accounting, Financial Systems, Financial Operations, and Information Systems. Mr. Gribben was also appointed to the agency's Executive Resources Board beginning in Fiscal Year 2016.

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Mr. Gribben joined the SBA in 2009 as Director of Performance Management & Deputy Performance Improvement Officer and held that position for nearly five years. Mr. Gribben was responsible for leading SBA's performance improvement initiatives through strategic planning, analysis, performance reviews, and accountability/performance reporting. Prior to joining SBA, Mr. Gribben was a manager at the U.S. Postal Service. In the private sector, Mr. Gribben spent over five years at a privately-held technology firm as Director of a business unit and two years with J.P. Morgan.

Mr. Gribben graduated from the College of William & Mary with a bachelor's degree in accounting, earned an MBA from Duke University, and holds the professional designation of CPA.