

Testimony of Courtney Timberlake  
Deputy Chief Financial Officer  
U.S. Department of Housing and Urban Development  
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Subcommittee on Government Operations  
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On behalf of Secretary Julián Castro, I want to thank you Chairman Meadows, Ranking Member Connolly and distinguished members of the subcommittee for the opportunity to discuss HUD's efforts to increase transparency and accountability through implementation of the DATA Act. HUD will substantially meet DATA Act reporting requirements by May 2017. HUD has made significant progress and is using the implementation of the DATA Act to change business processes, improve data quality and evaluate future financial and programmatic technology needs.

### **DATA Act Implementation**

Using the Department of the Treasury and OMB's DATA Act Implementation Playbook as a foundation, HUD has developed a plan that follows the eight steps outlined in the Playbook. Through proactive planning and management, HUD is on track with completing milestones. Data Act implementation is a priority for HUD, and we have dedicated resources for planning and implementation from within our base—taking opportunities to align DATA Act work with other initiatives to make as much progress as possible within existing resources. Our plan has specific timelines and requirements for HUD, including FHA and Ginnie Mae, reflecting very different data sources and challenges. Further, the plan includes tasks related to developing and implementing long-term solutions, identifying best practices for submitting data for all DATA Act components, and promoting compliance well beyond the initial May 2017 submission.

HUD's strategy for implementation is rooted in strong cross-organizational and interagency communication and collaboration, effective risk management techniques for all aspects of implementation. HUD is following best practices in this regard, documenting and prioritizing risks and issues, evaluating impacts, and taking appropriate corrective actions.

### **Foreseeable Challenges**

#### Challenges with Reconciliation

HUD currently reports financial assistance awards to USASpending.gov for grants, cooperative agreements, and vouchers. We are able to utilize the expertise and resources of our shared service provider at Treasury. Treasury submits award data to USASpending.gov, and provides validation and verification analysis. Because of this shared approach, some challenges may fall

beyond HUD's role—but through communication and collaboration, HUD looks forward to resolving issues with its partners.

### Data Quality and Integrity

Ensuring data validity is vital to accurate, timely reporting and transparency. Due to the variety of source systems within HUD, this requires a standard approach to data validation. Implemented fully, the DATA Act reporting requirements will strengthen agency data policies, standardization of data definitions, and related processes. Realizing this opportunity will require HUD to navigate the complex environment of multiple systems, outdated technology, and other factors. HUD will leverage the shared service environment and existing IT modernization efforts to obtain consistent quality data.

### Audits and Public Inquiries

One of the primary goals of DATA Act implementation is to provide a complete, understandable picture of Federal spending to the public. HUD anticipates a significant increase in public inquiries and requests for information due to an incomplete understanding of the reporting complexities for HUD's reporting programs. Further, announced audits from the HUD Inspector General, GAO, FISMA audits, AFR audits, HUD's multiple IT projects that affect DATA Act reporting, and the transition of DATA Act from an implementation team to a program without additional staff will put a burden on limited staff and may necessitate additional resources.

## **Process Going Forward**

### Managing Costs

To help reduce costs, HUD plans to utilize and leverage its relationship with our shared service partners at Treasury to complete submission of data to the Treasury-developed data Broker. Extensive ongoing testing and validation will be required. HUD is implementing approaches to incorporate both DATA Act requirements into existing agency data analysis projects. This keeps costs to a minimum while reducing error. However, HUD will incur additional costs associated with support services, on-going reviews, audits, and updates as required by the DATA Act.

### Creating Value from Standardized Data

The DATA Act requires agencies to provide standardized and integrated data to inform taxpayers, private industries, and federal agencies on government-wide spending initiatives. HUD's DATA Act implementation will enhance the agency's accountability for Federal funding and improved data quality. HUD has dedicated significant time and resources towards building a foundation for transparency reporting, especially in working towards DATA Act requirements. HUD plans to leverage the data extracted from source systems to help management make informed business decisions. This will involve ongoing IT efforts currently in progress, such as utilization of leading edge Business Intelligence and Analytics tools. Integrating DATA Act reporting with existing tools will improve HUD's ability to optimize operations, and inform programmatic decision-making.

## **Conclusion**

On behalf of HUD, I appreciate the opportunity to testify today. HUD has made significant progress implementing the requirements of the DATA Act. We look forward to sharing our detailed financial data with the public, and participating in the conversations our data will spark.

I welcome any questions you may have.