



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

September 18, 2009

MEMORANDUM FOR: Ellen Herbst
Senior Advisor for Recovery Act Implementation

Thomas Kreider
Program Manager for Recovery Act Implementation

Judith J. Gordon
Judith J. Gordon
Principal Assistant Inspector General for Audit
and Evaluation

FROM:

SUBJECT: Audit of Agency Processes for Performing Limited Data Quality
Reviews of Recipient Reporting Under the American Recovery
and Reinvestment Act of 2009

We are preparing to audit Department of Commerce agencies receiving American Recovery and Reinvestment Act of 2009 (Recovery Act) funding to determine whether they have established effective processes to perform data quality reviews of information reported by recipients and awardees. The review—part of a broader federal OIG Recovery Act review requested by the Recovery Act Accountability and Transparency Board—will help determine whether agencies have a process in place to identify material omissions and significant reporting errors, as well as encourage recipients to make timely changes to their reporting processes.

To assess the effectiveness of agency processes and ensure they are working as designed, we plan to perform the following steps:

- Assess each agency's policy and procedures for reviewing quarterly Recovery Act data pursuant to Office of Management and Budget Memorandum M-09-21, "Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009;"
- Determine how each agency plans to ensure that all recipients have filed the required quarterly reports pursuant to Section 1512 of the Recovery Act and how each agency will ensure that it conducts the required review of the reported data;
- Conduct a walk-through of each agency's process for performing limited data quality reviews;

- Determine whether each agency's policy and procedures have been designed to emphasize the avoidance of material omissions and significant reporting errors;
- Determine whether each agency has an adequate process in place to identify and correct systemic or chronic reporting problems; and
- Determine whether each agency anticipates that it will be able to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and when to release remaining funds.

We will conduct our audit at various agency offices in Washington, D.C., and at other locations as needed.

We conducted an entrance conference on Wednesday, September 16, 2009. Should you have any questions please contact me at (202) 482-2754 or Ann Eilers, Senior Advisor and Project Leader of the OIG Recovery Act Task Force, at (202) 482-4328.

cc: John F. Charles, Deputy Assistant Secretary for Administration, U.S. Department of Commerce
 Lisa Casias, Deputy Chief Financial Officer and Director for Financial Management, U.S. Department of Commerce
 Helen Hurcombe, Senior Procurement Executive and Director, Office of Acquisition Management, U.S. Department of Commerce
 W. Todd Grams, Chief Financial Officer, National Institute of Standards and Technology
 Andrew Moxam, Comptroller, U.S. Census Bureau
 Sandra Walters, Chief Financial Officer/Chief Administrative Officer, Economic Development Administration
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