



# Report In Brief

OCTOBER 17, 2012

## Background

In fiscal year (FY) 2012, the Department of Commerce received an appropriations provision in the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55) requiring it to submit to the Office of Inspector General (OIG) quarterly reports on the costs and contracting procedures related to FY 2012 Departmental conferences for which the government's costs exceeded \$20,000.

In the Department's first conference spending report to OIG, five bureaus—including the Census Bureau, International Trade Administration, National Oceanic and Atmospheric Administration, National Telecommunications and Information Administration, and U.S. Patent and Trademark Office USPTO—reported 24 conferences, totaling over \$1.7 million, in the first quarter of FY 2012.

## Why We Did This Review

In March 2012, the Department submitted its first quarter conference report to OIG, along with a summary of its report validation process and an explanation of ongoing improvements to conference reporting guidance. In April, we initiated an evaluation of the conference reporting process; our objective was to determine whether the Department of Commerce has established controls and provided guidance to bureaus for reporting quarterly conference data.

We limited the scope of our evaluation to processes for reporting the Department's conference data for the first quarter FY 2012—October 1, 2011, through December 31, 2011.

## OFFICE OF THE SECRETARY

### Quarterly Conference Reporting Processes Need Improvement

OIG-13-001-I

#### WHAT WE FOUND

Our review found that, for this first conference report, the Department established initial operational processes and reporting guidance. However, these processes are still in development and need to become clearly established before the information in its periodic reports is fully reliable. We noted that:

- The bureaus over- and under-reported costs by \$37,000 and \$70,000, respectively, and reported \$280,000 in unsupported costs.
- The Department accepted bureaus' conference spending data with only a limited validation of the reported data and planning procedures, which resulted in incorrect reporting for select conferences.

The Department needs to address these concerns to ensure the reliability of conference data in future submissions.

#### WHAT WE RECOMMEND

We recommend that the Director of the Office of Administrative Services:

1. Strengthen operating policy to ensure bureaus accurately report actual conference spending data, identify estimated costs, and provide updates to these estimates when actual costs become available.
2. Require bureaus to maintain supporting documentation for costs incurred, planning considerations, and decision justifications.
3. Acquire assurances from bureaus that all required conferences are included in the quarterly report.
4. Provide training to ensure clear understanding of developed policies, documentation requirements, and the conference spending data report process.
5. Develop a process to examine questionable costs and document results.
6. Conduct and document tests of the reasonableness of second quarter FY 2012 conference expenditure data provided by the bureaus.
7. Review bureau procedures for planning conferences and selecting facilities to ensure compliance with Departmental policies and procedures.