



Report In Brief

U.S. Department of Commerce Office of Inspector General

July 29, 2011



Why We Did This Review

This report is part of OIG's continued oversight of the \$7.9 billion in funds received by five Department of Commerce agencies (plus OIG) under the American Recovery and Reinvestment Act of 2009.

Our objective was to determine whether the Department has implemented sufficient internal controls to ensure that data related to Recovery Act funds, projects, and fund recipients are reported completely, accurately, and in a timely manner, and that any material omissions and significant errors are identified and corrected.

Background

In February 2009, the American Recovery and Reinvestment Act of 2009 was signed into law. Section 1512 of the act requires fund recipients to submit quarterly reports containing detailed information on the projects and activities funded by the Recovery Act and their impact on job creation and retention. It also directs federal agencies to review this information for accuracy before it is posted to www.Recovery.gov.

The Recovery Accountability and Transparency Board is responsible for coordinating and conducting oversight of Recovery Act spending to help prevent waste, fraud, and abuse. The board has created an online system to collect section 1512 data from Recovery Act fund recipients and provide the information to taxpayers on www.Recovery.gov.

Office of the Secretary

Commerce Has Procedures in Place for Recovery Act Recipient Reporting, but Improvements Should Be Made (OIG-11-031-A)

What We Found

Our review of five of the Department's agencies—the Economic Development Administration (EDA), National Institute of Standards and Technology (NIST), National Oceanic and Atmospheric Administration (NOAA), National Telecommunications and Information Administration (NTIA), and Census Bureau—found that while Commerce has implemented effective internal controls over its Recovery Act recipient reporting, there are still opportunities for improvement.

We compared data elements in the quarterly reports submitted by the recipients to the same information in Commerce's grants and contracts management systems. While the overall error rate in recipient reporting was low and the data differences were generally in non-critical reporting fields, Commerce agencies did not identify and correct some of the significant data errors on the quarterly reports. In addition, incorrect or inconsistent data in the Department's three grants management systems meant that Commerce personnel had to perform many manual procedures to reconcile the data to the information in the recipients' reports.

We found several areas in which Commerce could reduce its reliance on manual effort, increase the efficiency of its reporting, and improve data quality. For example, its systems could be updated to make data fields consistent with recipients' quarterly reports. Also, implementing a single Department-wide management system to replace the three current systems would further streamline processes and increase accuracy.

What We Recommended

We recommended that Commerce's Director of the Office of Acquisition Management

1. evaluate ways to automate the reports generated by the Department's three grants management systems;
2. develop a plan for consolidating the data from the three distinct grants management systems into a single system; and
3. consider upgrading the Department's new contract management system interface so that a single database incorporating data from all Commerce agencies would supply the information in the interface.

Additionally, agencies could improve data quality by updating their management systems to more efficiently monitor information that must be reported under the Recovery Act.