



# Report In Brief

SEPTEMBER 13, 2013

## Background

In 2010 and 2011, the Department and OIG received a series of complaints about mismanagement of funds within the National Weather Service (NWS). On May 11, 2012, the Department issued its *Internal Inquiry into Alleged Mismanagement of Funds Within the National Weather Service*. The Department found—in addition to the unauthorized reprogramming of NWS funds in fiscal years (FYs) 2010 and 2011—significant management, leadership, budget, and financial control problems at NWS that resulted in Antideficiency Act violations.

Following the release of the May 11, 2012, report, then-Deputy Secretary Rebecca Blank and then-Under Secretary of Commerce for Oceans and Atmosphere Jane Lubchenco issued separate decision memorandums on May 24, 2012, which required specific actions for correcting the conditions leading to the report's findings. These decision memorandums required Departmental actions on 20 distinct activities, including audits, organizational reporting adjustments, and changes to budget formulation and execution processes.

## Why We Did This Review

On June 7, 2012, the U.S. Senate Appropriations Subcommittee for Commerce, Justice, Science, and Related Agencies asked OIG to review materials and findings from the Department's internal inquiry report. We then reviewed the actions taken by the Department and NOAA to address identified weaknesses to determine the adequacy of such actions in addressing issues arising from NWS's FY 2012 reprogramming requests. Our review compared actions against what was directed in the separate May 24, 2012, decision memorandums.

## OFFICE OF THE SECRETARY

### Status of Departmental Actions to Correct National Weather Service Mismanagement of Funds

OIG-13-029-I

#### WHAT WE FOUND

Our review found that the Department and NOAA have taken steps to address the findings identified in the Department's internal inquiry, some of which were still ongoing as of our March 2013 end of fieldwork. Since May 2012, the Department and NOAA completed 15 out of 20 of their planned action items. We noted that the Department and NOAA need to take additional steps to ensure that budget formulation processes at line offices and the bureau are transparent and accountable, provide training to certain NOAA officials, and review NOAA's financial management team.

*Many key action plan items are complete.* The Department and NOAA made progress in completing many key actions to address the concerns identified in the May 11, 2012, internal inquiry report. The Department also determined that NOAA violated the Antideficiency Act by reprogramming and constructively transferring funds between appropriation accounts without providing advance notice as required by law—and took action to address the violations.

*Several action items need to be finalized.* While the Department and NOAA closely monitored the progress of planned action items through biweekly updates to the Deputy Secretary's office, several action items remain incomplete. The Department's review of summary level transfers (SLTs) determined a lack of appropriate internal controls, and it is currently modifying automated controls in its Commerce Business System (CBS). Next, third-party reviews of budget operating plans and SLTs were in the draft reporting stage at the time we completed our fieldwork. Finally, regarding the review of the Department's complaint process, NOAA has conducted a review to verify the existence of a complaint process within the Department—but it has not taken steps to communicate the process to staff.

*Additional actions are needed to address identified weaknesses.* Our review of the Department and NOAA's actions taken to complete the Deputy Secretary's and Under Secretary's memorandums revealed unsupported findings and an overreliance on generalized training programs. We also determined that the required action plans did not include a review of NOAA's financial management team.

#### WHAT WE RECOMMEND

We recommend that the Department's Chief Financial Officer take appropriate action to:

1. Issue an informational notice alerting Departmental staff to the OIG online hotline complaint process.
2. For future inquiries, ensure that Departmental offices are aware of the requirement to obtain and keep documentation supporting data requests and conclusions reached.
3. Provide a training module for NOAA managers and employees on reporting complaints of fraud, waste, abuse, and mismanagement at NOAA.
4. Evaluate the impact of Departmental senior executive training on the overall proficiency related to managing human, financial, and informational resources.
5. Document an analysis of NOAA's financial management leadership that addresses improper past practices and how the current leadership team can provide effective financial management direction.