U.S. CENSUS BUREAU

The Census Bureau Lacks Accurate and Informative Cost Data to Guide 2020 Census Research Through a Constrained Budget Environment

OIG-14-021-A

WHAT WE FOUND

The Census Bureau’s Decennial Program generally adhered to Office of Management and Budget and Departmental guidance for implementing mandatory budget reductions. However, we found that

- **Due to inaccurate cost information, the impact of budget reductions cannot be determined.** The internal control weaknesses we observed involve significant deficiencies in the Decennial Program’s method for recording salary costs. Neither specific project costs nor the cost of the entire Decennial Program’s research effort to date can be determined, because project costs are recorded in the accounting system simply to match previously set budget allocations. In addition, some projects may be subsidizing other activities under separate appropriation accounts.

- **Budget fund transfers prevent the Bureau from validating budget estimates and identifying inaccurate project costs.** The Decennial Program’s practice of transferring budget between projects circumvents spending controls, thereby increasing the risk that incorrect or even fraudulent charges could be recorded without detection.

- **The Decennial Program does not have support for budget requests.** Decennial Program management did not provide us with documentation supporting FYs 2013 and 2014 Congressional budget justifications that tied specific requests in the President’s Budget to specific project activities.

- **ESA should develop a stronger oversight process for monitoring the Decennial Program’s progress in reducing 2020 decennial Census costs.** ESA has no specific process in place to monitor the research and testing goals related to 2020 decennial Census planning.

WHAT WE RECOMMEND

We recommend that the Director of the Census Bureau develop

1. A process to ensure project costs reflect actual level of effort (a) in the short term, by requiring all Census Bureau employees to accurately record project hours through webTA (an Internet-based time tracking system), and (b) in the long term, by implementing an activity-based costing system, with appropriate internal controls, that reflects actual project cost and reconciles with the accounting system.

2. Policies and procedures that require supporting documentation for budget estimate decisions be prepared and retained for audit.

3. A process to validate budget estimates that (a) incorporates actual costs recorded in the accounting system and (b) uses budget-to-actual cost information to identify incorrect project charges.

We also recommend that the Director of the Census Bureau and Under Secretary for Economic Affairs develop

4. A process to ensure that ESA has sufficient oversight of the 2020 Decennial Program.