



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

August 14, 2009

MEMORANDUM FOR: Dr. Robert M. Groves
Director
U.S. Census Bureau

FROM: *Judith J. Gordon*
for Todd J. Zinser

SUBJECT: Recommendations from *2010 Census: First Quarterly Report to Congress, August 2009* (OIG-19791-1)

This memorandum transmits our recommendations resulting from our review of 2010 Census activities between February and June 2009, focusing on the limitations in the bureau's ability to oversee the systems and information for tracking schedule, cost, and risk management activities. We conducted this work pursuant to the explanatory statement accompanying the Supplemental Appropriations Act of 2008, which required the bureau to submit to the Senate and House Committees on Appropriations a detailed decennial plan and assessment of associated risks and further required OIG to provide quarterly reports on the bureau's progress against this plan. We submitted our first quarterly report on August 6, 2009.

We found that the bureau implemented a risk management process that was an improvement over the prior decennial, but risk management issues remain. Specific limitations that impact the bureau's management of the decennial census include the following:

- not using critical path management
- no thorough up-front review of project start and end dates
- limited integration of major contractor activities
- no integration of schedule activities and budget plan/expenditure information
- unreliable cost estimate
- lack of transparency in use of contingency funds
- lack of systematically documented program and funding decisions
- risk management activities that are behind schedule
- varying quality and content of mitigation plans

In addition, we found that the bureau did not clearly and accurately report on the status of the risk associated with the Field Data Collection Automation (FDCA) system, which includes the handheld computers, and ceased reporting it as a key issue in the Monthly Status Report, even though the issue had not been adequately resolved.



Since our report focused on the overall capacity of Census's management systems and processes and it is too late in the decade to address many of their limitations, most of our recommendations apply to improving program management of the 2020 Census.

Recommendations

To improve reporting for the 2010 Census, we recommend that Census strengthen the process for preparing and reviewing Monthly Status Reports for the remainder of the 2010 Census so that all key issues—including the use of contingency funds, changes in the status of significant risks, documentation explaining the lack of contingency plans for certain risks, and other important information—are fully and accurately reported.

To improve program management of the 2020 Census, we recommend that the Census Bureau take the following actions:

1. Integrate schedule and cost activities associated with a small-scale 2010 decennial operation having both headquarters and field components, as a prototype for integrating all schedule and cost activities for the 2020 Census.
2. Complete the schedule development process earlier in the 2020 decennial life-cycle. Utilize the bureau's project management software to integrate cost and schedule activities of bureau and contractor operations to allow Census managers to better track the status of available funds, forecast impending underruns and overruns so that funds can be reallocated promptly, and improve the transparency of decennial decisions to Census stakeholders.
3. Develop a transparent decision documentation strategy to account for 2020 Census program and spending decisions.
4. Strengthen and implement a risk management strategy and relevant contingency plans prior to the start of 2020 decennial census operations.

Please advise us of the actions you propose to take in response to our recommendations by September 14, 2009. If you have any questions, please call me at (202) 482-4661 or Judith Gordon, Principal Assistant Inspector General for Audit and Evaluation, at (202) 482-2754.

Thank you for the courtesies extended to my staff during this review. A copy of our report is attached.

Attachment

cc: Rebecca M. Blank, Under Secretary for Economic Affairs
Thomas L. Mesenbourg, Deputy Director, U.S. Census Bureau
Andrew Moxam, Comptroller, U.S. Census Bureau
Arnold Jackson, Associate Director, Decennial Census Programs, U.S. Census Bureau

Frank Vitrano, Chief, Decennial Management Division, U.S. Census Bureau
Pam White, External Liaison Branch Chief, Decennial Management Division, U.S.
Census Bureau
Adam Miller, Audit Liaison, U.S. Census Bureau