

BRIEFLY...

Highlights of Report Number: 03-07-002-07-711, to the Assistant Secretary for Administration and Management.

WHY READ THE REPORT

The Office of Inspector General (OIG) performed an audit in response to a complaint concerning the U.S. Department of Labor's (DOL) competitive sourcing of its finance and accounting positions. The complainant alleged that DOL did not comply with Office of Management and Budget (OMB) Circular A-76 policies and procedures for the preliminary planning process for the finance and accounting competition study, and that although a contractor's report for the preliminary planning of the competitive sourcing was inaccurate, funds were awarded to the same contractor to rectify the inaccuracy.

The Office of the Assistant Secretary for Administration and Management's (OASAM) Office of Competitive Sourcing (OCS) is responsible for overseeing the planning and implementation of DOL's competitive sourcing program. The Assistant Secretary for Administration and Management assigned the Office of the Chief Financial Officer (OCFO) as the lead agency for the finance and accounting services competition because of its responsibilities over DOL's financial accounting employees and systems.

WHY OIG DID THE AUDIT

The purpose of our audit was to answer the following questions:

1. Did DOL comply with Federal requirements for the preliminary planning process for the DOL Enterprise-Wide Finance and Accounting services competition study?
2. Did the contractor receive funds to correct deficiencies in its Preliminary Planning Report on the DOL Enterprise-Wide Finance and Accounting services competition study?

READ THE FULL REPORT

To view the report, including the scope, methodology, and the Deputy Assistant Secretary for Operations' response, go to:

<http://www.oig.dol.gov/public/reports/oa/2007/03-07-002-07-711>

September 2007

Complaint Involving the Department of Labor's Competitive Sourcing of Finance and Accounting Positions

WHAT OIG FOUND

DOL did not comply with Federal requirements governing the preliminary planning process for the competitive sourcing of DOL's finance and accounting positions because the OCFO, as the lead agency for conducting the competition study, did not use the FAIR Act Inventory as the starting point. As a result, the initial phase included inherently governmental positions that were being considered for competition, which Federal regulations do not allow. This occurred because DOL did not have a policy that specifically stated that the position classifications in the FAIR Act Inventory must be used as the starting point for competition studies. After an affected agency raised concerns, the OCFO and OCS excluded those inherently government positions from further evaluation before the next phase of the preliminary planning process. However, further corrective action is needed to mitigate the risk that inherently governmental positions are included in future competitive sourcing studies.

Concerning the allegation that the contractor received funds to correct deficiencies in its Preliminary Planning Report on the DOL finance and accounting services competition study, we found that Management Analysis, Incorporated (MAI) received funds to perform work subsequent to the preliminary planning phase, but did not use them to correct deficiencies in the Preliminary Planning Report, as alleged. Rather, OCFO and OCS officials performed the work to correct deficiencies in the Preliminary Planning Report.

WHAT OIG RECOMMENDED

We recommend that the Assistant Secretary for Administration and Management establish and implement a policy that requires agencies performing competitive sourcing competition studies to use the position classifications contained in the FAIR Act Inventory as a starting point, unless and until it is changed through approved processes.

In response to the draft report, the Deputy Assistant Secretary for Operations agreed with the recommendation and stated that OASAM has initiated corrective action.