

BRIEFLY...

Highlights of Report Number 17-15-002-13-001, issued to the Acting Chief Financial Officer.

WHY READ THE REPORT

New federal requirements have added greater scrutiny of federally-sponsored and attended conferences. The Office of Management and Budget issued Memorandum M-12-12, Promoting Efficient Spending to Support Agency Operations, which requires federal agencies and employees to exercise discretion and judgment in ensuring conference expenses are appropriate, necessary, and managed in a manner that minimizes expense to taxpayers. In addition, Executive Order (EO) 13589, Promoting Efficient Spending, requires executive departments and agencies to act in a fiscally responsible manner by reducing costs at least 20 percent below Fiscal Year (FY) 2010 levels, in FY 2013.

WHY OIG CONDUCTED THE AUDIT

Because of scrutiny of federally-sponsored and attended conferences, we performed a review to answer the following questions:

Did the Department of Labor (DOL) establish adequate controls to ensure compliance with federal and DOL requirements for conference costs, approvals, and reporting?

Did DOL reduce the costs identified in EO 13589 by 20 percent in FY 2013?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2015/17-15-002-13-001.pdf>.

March 2015

REVIEW OF DEPARTMENT OF LABOR CONFERENCE COSTS, APPROVALS, AND REPORTING

WHAT OIG FOUND

DOL established adequate controls to ensure its compliance with federal and DOL requirements for conference costs. However, we found one of the six FY 2013 DOL-sponsored conferences exceeding \$100,000 did not obtain the Deputy Secretary's approval in accordance with federal requirements. In addition, the DOL did not report five of these conferences on its website, and did not report two to the Office of Inspector General (OIG) as required. DOL also failed to report 10 of 16 conferences costing between \$20,000 and \$100,000 to OIG as required. In addition, to comply with EO 13589, the Office of the Chief Financial Officer (OCFO) reported DOL reduced costs by \$85.5 million in FY 2013, claiming to have exceeded its reduction target of \$61 million by \$24.5 million. However, DOL did not include the total FY 2010 costs for all the cost categories cited in EO 13589 in its reduction target; therefore, it could not ensure the reported amount accurately represented a 20 percent reduction in costs.

WHAT OIG RECOMMENDED

We made three recommendations to the Acting Chief Financial Officer to: (1) ensure all conferences, including training conferences, are approved and reported as required; (2) identify the total FY 2010 costs for each category identified in EO 13589 and determine if DOL achieved a 20 percent reduction in the combined costs, and (3) reemphasize to agency heads that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they should reengage in the conference review and clearance process.

OCFO generally agreed with the recommendations. However, OCFO did not believe it would be a cost effective use of resources to identify the total FY 2010 costs for each category included in EO 13589 to determine if DOL achieved a 20 percent reduction in costs. OCFO's complete response is in Appendix C.