

OCFO Response to Draft Report


U.S. Department of Labor

Office of the Chief Financial Officer
Washington, D.C. 20210



March 30, 2015

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

FROM: 
KAREN TEKLEBERHAN
Acting Chief Financial Officer
for the Office of the Chief Financial Officer

SUBJECT: Response to the Office of the Inspector General's "Review of Department of Labor Conference Costs, Approval and Reporting", Report 17-15-002-13-001

The Office of the Chief Financial Officer would like to thank the OIG for the opportunity to respond to the *Review of Department of Labor Conference Costs, Approval and Reporting* report. The responses to the OIG's recommendations are included below:

OIG Recommendations:

1. **Ensure that all conferences, including training conferences, are approved and reported as required.**

Management Response: The Department is strongly committed to ensuring that all requirements imposed by OMB and Congress are met. The five conferences that exceeded \$100,000 were not reported on the Department's website due to OCFO believing those trainings qualified as a "bona fide training" exception to the reporting requirement. In addition, two of the 10 conferences were not reported to OIG for the same reason. Regarding the remaining conferences, OCFO has and continues to work with agencies to ensure timely submissions to the OIG. Additionally, the scope of the exception has been clarified with the OIG, and OCFO will continue to report all training conducted in conference settings in the future.

2. **Identify the total FY 2010 costs for each category identified in EO 13589 and determine if the Department achieved a 20 percent reduction in the combined costs.**

Management Response: OMB M-12-12 compliance requires maintaining travel spending at 30% below the FY 2010 level, with the exception of mission critical travel. DOL's FY 2010 net obligation for travel was \$73.8 million. The net obligation for travel in FY2013 was \$44.7 million. The reduction is nearly 40%.

Given that the travel cuts are well above the mandated reductions, to further identify the combined costs would not be a prudent use of government funds. Spending for IT devices does not reside in a separate object class, and would require a significant effort by OCFO to manually determine the amounts obligated for FY 2010. Fleet vehicle and SWAG costs are already included in the travel and supply amounts.

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.**

Management Response: OCFO will continue to remind agency heads at department meetings that as soon as they realize actual conference costs are going to exceed the approved amount by more than 10 percent they reengage in the conference review and clearance process. In addition, OCFO will continue to inform agencies of the need to reengage in the conference review and clearance process if the costs exceed the 10% threshold via the clearance email to the agency.