



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

# **DOI CONFERENCE PLANNING, TRACKING, AND SPENDING**

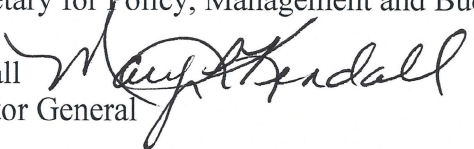


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**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

AUG 28 2014

Memorandum

To: Rhea S. Suh  
Assistant Secretary for Policy, Management and Budget

From: Mary L. Kendall   
Deputy Inspector General

Subject: Inspection Report – DOI Conference Planning, Tracking, and Spending  
Report No. ZZ-IS-MOI-0003-2014

We recently completed an inspection of the U.S. Department of the Interior (DOI) conference planning, tracking, and spending to determine whether DOI complies with applicable Federal regulations and Office of Management and Budget (OMB) mandates governing agency conferences. Federal agencies are required to provide their Inspector General with information on conference planning and spending in a timely manner and to post annual conference information, including expenses, on its public website. We found that DOI provides OMB and the public with estimated expenses rather than actual costs because actual conference expenditures are not tracked. As a result, DOI cannot effectively determine if conference or travel expenses have been reduced and, thus, if it has met OMB's policy guidance to control costs. We make two recommendations that, if implemented, will help DOI comply with OMB policy.

We conducted our inspection from December 2013 through June 2014 in accordance with the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

**Background**

OMB defines conference in the same manner as the Federal Travel Regulations: a conference is considered to be any meeting, retreat, seminar, symposium, or other event that involves attendee travel. The term also applies to training activities considered as conferences under the Code of Federal Regulations (5 C.F.R. § 410.404). Conference expenses include both direct and indirect costs paid by the Government, whether directly by agencies or as reimbursement from agencies to travelers or others associated with the conference. Conference expenses do not include funds paid under Federal grants to grantees.

In September 21, 2011, OMB guidance titled "Eliminating Excess Conference Spending and Promoting Efficiency in Government" directed all Federal agencies to conduct a thorough review of policies and controls associated with conference-related activities and expenses. On

May 11, 2012, OMB issued guidance titled “Promoting Efficient Spending to Support Agency Operations.” The guidance required—

- senior level agency review of all planned conferences;
- senior level approval of all conferences exceeding \$100,000;
- prohibiting expenses that exceed \$500,000 for a single conference; and
- reporting to the public all conference expenses exceeding \$100,000, including—
  - the total conference expenses incurred by the agency for the conference;
  - the location of the conference;
  - the date of the conference;
  - a brief explanation of how the conference advanced the agency’s mission; and
  - the total number of individuals whose travel expenses or other conference expenses were paid by the agency.

The DOI Office of Inspector General (OIG) management advisory report, “Conference Planning and Spending at the Department of the Interior,” dated August 2012, found that DOI was inadequately prepared to accurately track and monitor its conference expenses. At that time, the Office of Financial Management (PFM) did not concur with all of OIG’s recommendations, including the recommendation to develop a plan to track actual conference costs prior to January 1, 2013.

Less than 1 year later, on June 27, 2013, Office of Policy, Management, and Budget (PMB) issued an updated version of its “Guidance on Reporting Conference Related Activities and Spending,” which directed all bureaus to provide PFM an annual plan at the beginning of each fiscal year with anticipated conference costs, related travel expenses, and the number of bureau participants in attendance.

Public law 113-76, effective January 17, 2014, requires Federal agencies annually to provide their OIGs with “costs and contracting procedures” for each conference held during FY 2014 for which the cost to the Federal Government would be more than \$100,000. In addition, it requires agencies to inform their IGs of the date, location, and number of employees attending within 15 days of any conference for which they expect the cost to exceed \$20,000.

## **Results of Inspection**

We found that DOI was inadequately prepared to accurately track and monitor its conferences and related expenses as required by public law and OMB policy guidance. As part of our inspection, we judgmentally selected one conference from each bureau that held any conferences estimated to cost over \$20,000 in FY 2013. We also selected one joint or multiple bureau conference. Our inspection sample consisted of 10 conferences, 5 of which had been estimated by their respective bureaus to cost more than \$100,000. We found that PFM could not provide us actual cost information for bureau conferences held and, therefore, we requested this information from the bureaus directly.

Specifically, we found that PFM does not track, verify, or report on actual bureau conference expenditures. PFM requires each bureau at the beginning of the fiscal year to supply an annual plan detailing the conferences it expects to conduct. The PFM director told OIG that

his office does not know if the bureaus reported all conferences estimated to cost more than \$20,000.

PFM reported previously that the additional effort required to gather and report actual conference costs is not merited because the burden of tracking costs at an individual conference level outweighs the benefits. We found that the estimated and actual costs associated with these conferences were not as close as PFM reported.

To better understand the impact of conference planning, tracking, and spending on DOI, we asked PFM to provide a list of all bureau conferences in FY 2013 that had estimated costs exceeding \$20,000. Ninety conferences comprised this list. Of the 90 conferences on this list, DOI expected approximately 4,500 individuals to attend, for a total estimated cost of \$7.5 million.<sup>1</sup>

After verifying PFM's list with bureau contacts, we identified over 100 conferences that had actually been planned and held during the year. The difference between PFM's list and the actual number of conferences held is partially explained by some conferences being canceled or added during the year. We found that 7 out of the 10 conferences we selected for our sample were not included on their specific bureau's annual conference plan submitted to PFM at the beginning of FY 2013.

#### *Significant Differences in Bureaus' Planned Versus Actual Conference Data*

We reviewed conferences where the estimated expenses and number of participants varied widely from the bureau's actual figures provided to OIG. For example, the actual conference costs for the U.S. Geological Survey's (USGS) "Northeast Climate Science Center Stakeholders Engagement Meeting," decreased from \$74,678 to \$51,073 due to a reduction in the number of expected travelers from 40 to 23 individuals paid for by DOI. The conference expenses for the Office of Natural Resources Revenue's (ONRR) "Petroleum Accountants Society of Oklahoma Royalty Audit/Compliance Workshop" also decreased from an estimated \$89,846 to an actual cost of \$80,994, with one additional employee attending over the originally estimated 73 ONRR participants.

The estimated costs for the "Private Lands Partner Conference," hosted by the U.S. Fish and Wildlife Service (FWS), were overestimated because FWS included employee salaries, partner-paid transportation and extra food. Even though the number of conference participants increased from 29 to 42, the actual cost to FWS was reduced by approximately \$49,000. This conference's actual bureau costs were only \$6,300.

The estimated cost of the Bureau of Indian Education's (BIE) "Professional Development – BIE Principal Leadership Academy" conference was \$113,656, with an estimated 50 bureau participants and 8 tribal officials scheduled to attend. The actual conference cost came in nearly \$72,000 higher than the estimate. The information Indian Affairs (IA) provided to OIG indicated that the actual total cost of the conference was \$185,630. The supporting information, however,

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<sup>1</sup>Neither the Bureau of Land Management nor OIG appeared on this list because these bureaus did not report any FY 2013 conferences costing more than \$20,000.

included costs not in the estimate. BIE could not verify that all bureau-paid costs were included in the total figure or provide any additional support. IA provided a travel voucher list for 38 bureau employees, and BIE indicated that a total of 50 bureau participants actually attended but did not supply additional support. When submitting the BIE conference request to the Deputy Secretary, a senior PMB official noted that BIE submitted its request for approval right before the conference was scheduled to begin and the contract for training, mentoring, and coaching had already been awarded. The former Deputy Secretary approved the conference because of the significant investment already made and the worthwhile nature of the conference.

The National Park Service (NPS) estimated that its “Bio-Discovery Event Conference” would cost a total of \$425,286, with DOI paying an estimated \$175,286 and the National Geographic Society paying \$250,000. The actual cost of the conference totaled \$372,403, and DOI paid much less than planned, contributing only \$94,383. The conference approval document cited the estimated number of DOI traveling participants as 35; the actual number of DOI participants was 90. The actual number of external participants, however, totaled 2,373, significantly less than the original estimate of 3,000.

The Bureau of Ocean Energy Management (BOEM) could not provide us with the total actual expenses for its “Characterizing Tribal Cultural Landscapes Workshops” conference. Approved at the Deputy Secretary level, this conference consisted of three 2-day workshops held in August and September 2013, hosted by the National Oceanic and Atmospheric Administration (NOAA) through an interagency agreement with BOEM. The purpose of these workshops was to develop a proactive approach to working with Native American communities to identify areas of tribal significance and potential impacts for consideration in regional offshore renewable energy planning and decision-making. NOAA subcontracted for its portion of the conference development and invoiced BOEM for those expenses. Although BOEM had requested this information from NOAA early in our inspection, the data remained unavailable at the conclusion of our fieldwork.

BOEM’s approved conference plan estimated its portion of the conference expenses to be between \$137,198 and \$147,977 and NOAA’s expenses to be approximately \$30,000 to \$40,000. NOAA’s portion helped cover the cost of facilities, catering, and conference set-up, in addition to about \$20,000 that helped pay the salaries of two tribal facilitators. BOEM sent only three employees to this conference instead of the originally estimated seven employees. BOEM planned to pay for an additional estimated number of non-DOI attendees ranging from 62 to 78 participants. The conference’s request for approval listed BOEM as planning to pay for “invitational travelers,” a projected cost of \$18,341. BOEM could not provide us the actual number of non-DOI participants and their related travel expenses, leaving us unable to precisely determine the final number of attendees.

We found that the estimated and actual expenses most closely matched each other for the three other conferences we reviewed:

- The Bureau of Safety and Environmental Enforcement’s “First Annual Domestic and International Standards Workshop;”
- The Bureau of Reclamation’s “81<sup>st</sup> International Commission on Large Dams;” and

- USGS' portion of the joint conference on the "Society of Environmental Toxicology and Chemistry (SETAC)."

When we looked at the data pertaining to the FWS portion of the SETAC conference, we noted that FWS provided actual travel expenses for only 24 of the 26 participants and did not provide support for non-travel expenses, such as registration fees. Therefore, we could not determine whether the estimated and actual expenses were closely aligned for the FWS portion of the conference.

We acknowledge that all bureaus experienced difficulties and delays when trying to obtain the requested conference travel expenses for FY 2013 because of the change in DOI's travel system at the end of that year. Although the GovTrip (DOI's travel system used prior to FY 2014) legacy system and archives containing the bureaus' travel data were supposed to be available by January 2014, this information was not accessible until the end of February 2014. As a result, PFM did not provide us with the travel information for its "Financial Statements Guidance Team/Finance Officers Partnership (FSGT/FOP) Workshop" until well after our fieldwork had been completed.

#### *DOI Does Not Publicly Report Actual Conference Costs as Required*

DOI reported estimated conference costs rather than actual expenses on its PFM-administered public website for all FYs 2012 and 2013 conferences having planned expenditures exceeding \$100,000. PFM does not explain, however, that these costs are only estimates, even though the conferences have already occurred. PFM also does not ask the bureaus to provide actual expenses for conferences they hold or compile this information independently as part of the work that goes into notifying the public of DOI conference expenses. OMB, however, requires that Federal agencies provide the "total conference expenses incurred by the agency for the conference," as well as the "total number of individuals whose travel expenses or other conference expenses were paid by the agency." OMB also requires Federal agencies to post this information on their official websites by January 31 after the end of the fiscal year when the conference occurred.

We found that PFM planned to report that it had saved \$17 million in travel and \$2 million in conference costs between FYs 2012 and 2013. When we asked for the documentation to support this claim, PFM officials told us that those savings were based on estimated expenditures for approved conferences, not on actual expenditures. The final report for FY 2013 did not cite any conference savings.

We also found a discrepancy with DOI's planned reporting of the number of conferences held. PFM's list of 90 conferences provided to OIG at the start of the inspection included 20 conferences costing more than \$100,000 in FY 2013. We selected 5 of those conferences to review for this inspection. We then contacted the bureaus to obtain actual cost data and learned that one of these conferences had been canceled. PFM reflected this change in DOI's final FY 2013 public report, indicating that the expenses of 19 conferences "exceeded \$100,000." As noted previously, however, PFM still did not provide the actual conference costs.

PFM and the bureaus are inconsistent with the information they include or do not include, especially with regard to the estimated costs and the estimated number of participants reported for planned conferences held and reported publicly. OMB makes it clear that agencies are required to report out on all conference expenses in excess of \$100,000. For those conferences, the report should include the total actual costs incurred and paid for by the agency and the total actual number of participants for which the agency pays the expenses associated with conference attendance.

## **Scope and Methodology**

To accomplish our objective, we—

- obtained a general understanding of applicable Federal regulations and laws; recent OMB policies governing agency conference planning, tracking, and spending; and DOI conference guidance;
- reviewed past relevant reports on Federal conference activities and travel requirements;
- reviewed the annual conference plans of individual DOI bureaus;
- obtained the total planned number of DOI conferences, the number of bureau participants attending each of these conferences, and the estimated cost of all conferences exceeding \$20,000 in FY 2013 from PFM, then verified this information with bureau contacts;
- obtained from bureau contacts support for actual conference and travel expenditure, but did not independently verify this information;
- judgmentally selected a representative sample of DOI conferences; and
- compared estimated conference expenses with actual expenses provided by bureau contacts -- 2 of the 10 conferences selected were not held, so we chose replacements to review, thus ensuring that each bureau with planned conferences over \$20,000 had one conference reviewed.

## **Recommendations**

We recommend that:

1. PFM work with the bureaus to set up accounting structures to collect actual conference costs and related travel expenses for conferences held or attended that cost \$20,000 or more; and
2. DOI adhere to the OMB requirement to report actual conference expenses exceeding \$100,000 on its official website; until DOI has a system in place to document actual expenses, its public website should include a disclaimer statement about the data presented.

Please provide us with your written response to this report within 30 days. The response should provide information on actions taken or planned to address the recommendations, as well

as target dates and title(s) of the official(s) responsible for implementation. Please address your response to:

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The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

If you have any questions regarding this report, please contact Kimberly Elmore at 202-208-5745.



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