

BRIEFLY...

Highlights of Report Number **17-11-001-11-001**, to the Commissioner of the Bureau of Labor Statistics

WHY READ THE REPORT

BLS is responsible for producing some of the nation's most sensitive and important economic data. BLS is an independent national statistical agency that collects, processes, analyzes, and disseminates essential statistical data to the American public, the U.S. Congress, other federal agencies, state and local governments, and businesses. BLS serves as a statistical resource to DOL by providing data and technical expertise. BLS data must satisfy a number of criteria, including relevance to current social and economic issues, timeliness in reflecting today's rapidly changing economic conditions, accuracy and consistently high statistical quality, and impartiality in both subject matter and presentation.

Since 1917, BLS has used cooperative agreements (Agreement) with states, territories and the District of Columbia (State) to fund the collection and analysis of Labor Market Information (LMI) data that BLS uses in its national statistical programs. In fiscal year 2010, BLS reported that it provided \$83,029,112 in funding to 54 States for the LMI program, specifically \$62,650,903 for personnel services, \$12,507,264 for non-personnel services, and \$7,870,945 for administrative services.

WHY OIG CONDUCTED THE AUDIT

Our audit objective was to answer the following question:

Did BLS ensure that funds for the Labor Force Statistics Program were expended and reported in accordance with the LMI Agreements?

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/2011/17-11-001-11-001.pdf>

March 2011

BLS COULD DO MORE TO ENSURE THAT LABOR FORCE STATISTICS PROGRAM FUNDS ARE EXPENDED AND REPORTED IN ACCORDANCE WITH THE LABOR MARKET INFORMATION AGREEMENTS

WHAT OIG FOUND

While we noted no exceptions in our review of the four States' reported personnel services and administrative services transactions, we found discrepancies in the non-personnel services transactions in two States and noted late reporting of financial information in three States. In two States, we found discrepancies in 118 non-personnel services transactions totaling \$39,273 of the \$106,000 reviewed. Officials of the two States could not provide supporting documentation to demonstrate that transactions were allowable in accordance with Agreement requirements and federal regulations.

We also found three of the four States were late in submitting monthly financial reports to their respective BLS Regional Offices as required by their Agreements.

WHAT OIG RECOMMENDED

We recommended that the Commissioner for BLS (1) improve monitoring of State LMI financial transactions to ensure records are maintained that fully support LMI program expenditures, (2) enforce policies and procedures currently in place to ensure the States' timely submission of monthly financial reports, and (3) recover questioned costs totaling \$39,273 for non-personnel service transactions that the States could not support.

The Commissioner of BLS stated that BLS does extensive financial monitoring of grantees and disagreed with the OIG's first recommendation to improve monitoring of State LMI financial transactions. The Commissioner of BLS generally agreed with the OIG's second and third recommendations and has planned to take actions to address them.