



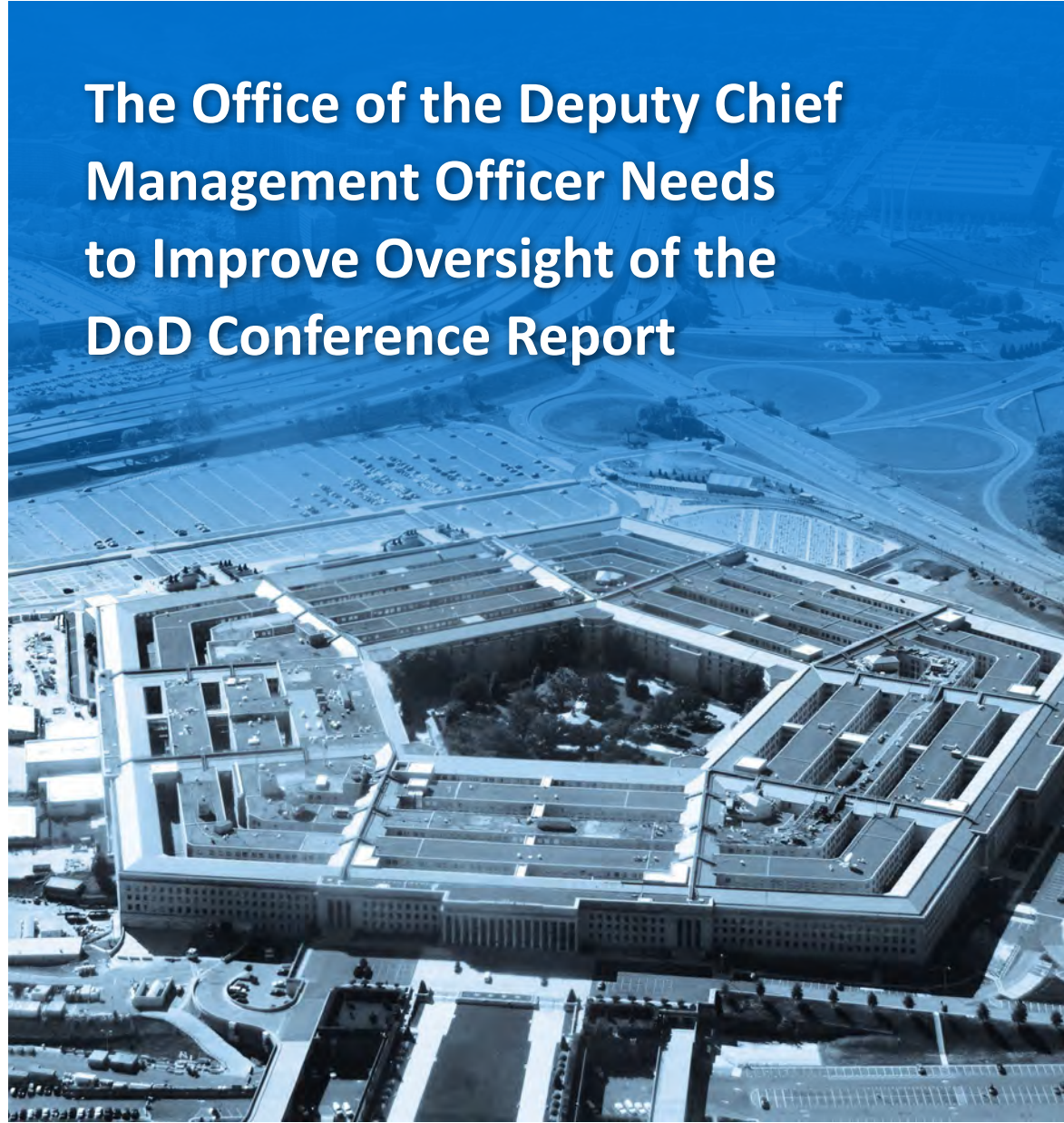
INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 21, 2015



The Office of the Deputy Chief Management Officer Needs to Improve Oversight of the DoD Conference Report



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Results in Brief

The Office of the Deputy Chief Management Officer Needs to Improve Oversight of the DoD Conference Report

January 21, 2015

Objective

We determined whether DoD reported FY 2013 conference spending in accordance with Public Law 113-6, "Consolidated and Further Continuing Appropriations Act of 2013." Specifically, we determined whether the DoD Deputy Chief Management Officer reported accurate and complete conference costs in DoD's FY 2013 Conference Report.

Finding

The DoD Deputy Chief Management Officer did not report accurate or complete costs in the DoD FY 2013 Conference Report. Specifically, travel costs for five of eight conferences reviewed were based on estimates that could not be verified to actual costs. This occurred because the DoD Deputy Chief Management Officer did not require Components to maintain a list of travelers for each conference.

In addition, the DoD Deputy Chief Management Officer inconsistently reported conferences by including seven events costing \$1.4 million that did not meet the DoD definition of a conference and therefore should have been excluded from the Conference Report. This occurred because the DoD Deputy Chief Management Officer prepared the Conference Report without consistently validating the conference cost data reported by DoD Components.

Finding (cont'd)

Furthermore, at least three conferences hosted by DoD, costing \$1.7 million, were not reported because the DoD Deputy Chief Management Officer used a manual process to compile the Conference Report; and officials responsible for reporting conferences at the Defense Health Agency misunderstood the new reporting requirements. As a result, Congress cannot rely on the DoD Deputy Chief Management Officer's report to assess DoD's conference spending.

Recommendations

We recommend that the Deputy Chief Management Officer require DoD Components to maintain documentation to support conference costs. In addition, the Deputy Chief Management Officer needs to establish a comprehensive process to review conference reporting.

Management Comments and Our Response

The Assistant Deputy Chief Management Officer, responding for the Deputy Chief Management Officer, concurred with our recommendations and stated that DCMO is working with stakeholders to implement the requirements as part of the next iteration of the DoD Conference Guidance as well as improving the current conference review process.

Comments from the Assistant Deputy Chief Management Officer addressed all of the specifics of the recommendations, and we do not require additional comments. Please see the Recommendations Table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
DoD Deputy Chief Management Officer		1, 2



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE**
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

January 21, 2015

MEMORANDUM FOR DEPUTY CHIEF MANAGEMENT OFFICER, DEPARTMENT OF DEFENSE

SUBJECT: The Office of the Deputy Chief Management Officer Needs to Improve Oversight
of the DoD Conference Report (Report No. DODIG-2015-069)

We are providing this report for your information and use. DoD's FY 2013 Conference Report is not accurate or complete. The DoD Deputy Chief Management Office compiled the report without consistently validating data submitted by DoD Components. We conducted this audit in accordance with generally accepted government auditing standards.

We considered management comments on a draft of this report when preparing the final report. Comments from the Assistant Deputy Chief Management Officer addressed the specifics of the recommendations, and conformed to the requirements of DoD Directive 7650.3; therefore, we do not require additional comments.

We appreciate the courtesies extended to the staff. Please direct any further questions to me at (703) 601-5945 (DSN 329-5945).

A handwritten signature in dark ink, reading "Lorin T. Venable", is positioned above the printed name.

Lorin T. Venable, CPA
Assistant Inspector General
Financial Management and Reporting

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Introduction

Objective

To determine whether DoD reported FY 2013 conference spending in accordance with Public Law 113-6, “Consolidated and Further Continuing Appropriations Act, 2013.” Specifically, we determined whether the DoD Deputy Chief Management Officer (DCMO) reported accurate and complete conference costs in DoD’s annual report. See the Appendix for a discussion of the scope and methodology and prior audit coverage.

Background

On March 26, 2013, the President signed Public Law 113-6. Public Law 113-6 requires that the head of any Executive branch department, agency, board, commission, or office report to their Inspector General any conferences hosted for which the cost to the U.S. Government was more than \$100,000. Public Law 113-6 requires that each report submitted include:

- a description of the conference purpose;
- number of attendees;
- costs of food and beverages;
- costs of audio/visual equipment;
- costs of travel; and
- a description of contracting procedures used.

Before the issuance of Public Law 113-6, the Office of Management and Budget (OMB) issued OMB Memorandum No. M-12-12, “Promoting Efficient Spending to Support Agency Operations,” May 11, 2012 (OMB Memorandum M-12-12). The memorandum required federal agencies to limit and report conference spending. On September 29, 2012, the Deputy Secretary of Defense issued “Implementation of Conference Oversight Requirements and Delegation of Conference Approval Authority” to implement OMB Memorandum M-12-12. The Deputy Secretary’s memorandum provided DoD Components with additional criteria on how to define a conference, a list of exemptions to the conference reporting criteria, and instructions for calculating conference costs.

Due to the complex structure of DoD and the evolving nature of conference reporting criteria, the memorandum directed DCMO to help establish and execute the necessary processes to implement the criteria and issue additional implementing guidance as necessary. The Deputy Secretary’s memorandum was effective through November 6, 2013, when the Office of the DCMO issued the

memorandum “Implementation of Updated Conference Oversight Requirements.” This memorandum updated the Deputy Secretary’s earlier guidance, which had exempted seven categories of events. The memorandum exempted an additional category of events for a total of eight exemption categories. Exempted events included operational exercises and international cooperation engagements. Additionally, the memorandum allowed DoD Components to report estimated instead of actual conference costs.

FY 2013 Conference Report

The Office of the DCMO collects conference data from DoD components that host the conference and prepares the annual Conference Report as required by Public Law 113-6. The DoD FY 2013 Conference Report was DCMO’s second annual report on DoD’s conference spending. The Office consolidated the DoD conference data in the DoD FY 2013 Conference Report, which identified 80 conferences with a total cost of \$20.1 million. The largest category of conference costs was travel costs of \$14.9 million, which made up 74 percent of the total conference costs reported. These figures were based on “estimates” because Components were not required to report actual expenses or submit documentation of actual conference costs to DCMO when the conference ended.

Collection of Conference Data

During FY 2013, the Office of the DCMO used two methods to collect conference reporting data. For the first, second, and third quarters, it used a manual data collection process in which it sent emails to the DoD Components requesting information on DoD conferences hosted with an estimated cost of \$100,000 or more. Components typically submitted conference data in the form of an Excel spreadsheet, which DCMO used to compile the DoD FY 2013 Conference Report. During the fourth quarter of FY 2013, the Office of the DCMO launched the DoD Conference Tool, which allows Components to submit conference costs online. The Office granted access to the system to designated personnel from the DoD Components to act as conference registrars for their respective Components. Registrars were provided site permissions that allowed them to enter conference data into the DoD Conference Tool. DCMO combined the data call responses and submissions to the DoD Conference Tool to prepare the DoD FY 2013 Conference Report.

Review of Internal Controls

DoD Instruction 5010.40, “Managers’ Internal Control Program Procedures,” May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses in the Office of the DCMO’s process of collecting and retrieving data for DoD’s FY 2013 Conference Report. Specifically, DCMO relied on the Components to submit conference data and did not identify conference reporting inaccuracies. In addition, DCMO did not consistently review conferences to determine whether exemptions to conference reporting requirements were appropriately applied. Additionally, various interpretations of conference guidance caused inconsistent reporting of conferences. We will provide a copy of the final report to the senior official responsible for internal controls at the Office of the DCMO.

Finding

DoD's 2013 Conference Report Was Not Accurate or Complete

DCMO did not report accurate or complete DoD FY 2013 annual conference costs. Specifically, travel costs for five of eight conferences reviewed were based on estimates that could not be verified to actual costs. This occurred because DCMO did not require Components to maintain a list of travelers for each conference.

In addition, DCMO inconsistently reported conferences by including seven events costing \$1.4 million, that did not meet the DoD definition of a conference and therefore should have been excluded from the Conference Report. This occurred because DCMO prepared the Conference Report without consistently validating the conference cost data reported by DoD Components.

Furthermore, at least three conferences hosted by DoD costing \$1.7 million were not reported because DCMO used a manual process to compile the Conference Report, and officials responsible for reporting conferences at the Defense Health Agency (DHA) misunderstood the new reporting requirements. As a result, Congress cannot rely on DCMO's report to assess DoD's conference spending.

Conference Report Was Not Accurate

Travel costs for five of eight conferences reviewed were based on estimates that could not be verified to supporting documentation, and travel costs for two of these conferences were misclassified as conference hosting costs. Hosting costs are non-travel costs such as facilities rental and audiovisual costs that, if incurred, must be reported as part of conference costs. Table 1 lists the conferences reviewed for which we identified deficiencies.

Table 1. Deficiencies Related to the Accuracy of the FY 2013 DoD Conference Report.

Hosting Agency	Conference Title	Travel Costs Unsupported	Misclassified Travel Cost Data	Estimates Reported Were Not Reasonable
Army	U.S. Army Reserve Command Senior Leader's Forum	X		
NGB	Army National Guard G3 Synchronization Workshop	X	X	
NGB	Cyber Shield 2013 Conference	X	X	
NGB	Individual Training Workshop	X		
NGB	Civil Support Team Working Group	X		
DIA	National Security Analysis and Intelligence Summer Seminars: Foundations			X

For three of its four conferences, the National Guard Bureau (NGB) was able to provide a list of attendees for the conferences. NGB incurred estimated travel costs of \$944,000 to host three conferences; the Army National Guard G3 Synchronization Workshop, the Cyber Shield 2013 Conference, and the

However, the NGB was not required to and could not identify the individuals who traveled to these conferences.

Individual Training Workshop. However, the NGB was not required to and could not identify the individuals who traveled to these conferences. Without a list of travelers, estimated costs cannot be compared to actual costs to determine whether reported costs were reasonable. The NGB was able to provide a list of travelers for a fourth conference, the Civil Support Team Working Group.

However, the list of travelers was inaccurate and NGB was unable to identify costs associated with the conference for an individual who visited multiple sites during his travel.

In addition, the NGB misclassified \$660,000 in travel costs as conference hosting costs for two of the three conferences. For the Army National Guard G3 Synchronization Workshop and the Cyber Shield 2013 conferences, the NGB reported travel costs of \$404,000 and \$256,000, respectively, to DCMO. DCMO then incorrectly reported the NGB-submitted conference hosting costs of \$660,000 in the DoD FY 2013 Conference Report. NGB did not incur conference hosting costs for these conferences.

The Army Reserve Command was also able to provide a list of travelers for its U.S. Army Reserve Command Senior Leader's Forum. However, for this conference, Army Reserve Command personnel were unable to identify costs associated with the conference for individuals who visited multiple sites during their travel.

The Defense Intelligence Agency (DIA) under-reported total costs for its National Security Analysis and Intelligence Summer Seminars conference by \$26,000. DIA reported estimated costs of \$119,000 for this conference. However, the reported cost incorrectly excluded \$28,000 in travel costs. These unreported travel costs consisted of \$10,000 in total travel costs for 9 attendees and \$18,000 in centrally billed airfare for 34 attendees. DIA also over-reported conference hosting costs by \$2,000.

Additional Conference Reporting Criteria Needed

Travel costs could not be verified because the Office of the DCMO did not require that the DoD Components maintain supporting documentation of actual travel costs, including a list of travelers to each conference. As a result, the Army Reserve Command and NGB could not support the actual amount of travel costs associated with five conferences, and the reasonableness of the cost estimates could not be determined.

The conference cost estimates for two conferences hosted by the Navy and the Defense Human Resources Activity (DHRA) were reasonable. However, the conference cost estimate of the DIA conference was not reasonable. DIA reported estimated costs of \$119,000 for its National Security Analysis and Intelligence Summer Seminars conference. The actual cost of the conference was \$145,000, which exceeds the reported estimated cost by 22 percent. Table 2 lists the conferences we reviewed and whether we were able to determine if reported costs were reasonable.

Table 2. Reasonableness of Estimated Costs in the FY 2013 DoD Conference Report.

	Army	Navy	National Guard Bureau	Defense Intelligence Agency	Defense Human Resources Activity	Total
Reasonable Estimates	0	1	0	0	1	2
Estimates Reported Were Not Reasonable	0	0	0	1	0	1
Reasonableness of Estimate Not Determined	1	0	4	0	0	5
Total Conferences Reviewed	1	1	4	1	1	8

In addition, conference costs were misclassified because the Office of the DCMO did not consistently validate the cost data being submitted by the Components. For example, the NGB incorrectly reported travel costs as conference hosting costs for the two NGB-hosted conferences with estimated costs of \$660,000. However, travel cost is the largest expense for most DoD-hosted conferences, and its absence should have been an indicator to DCMO that the report may not have been correct. This error could have been identified if DCMO reviewed the data for these conferences and confirmed with the hosting agency the amounts reported. DCMO should require that DoD Components maintain documentation to support reported conference costs, including a list of travelers to each conference along with a unique identifier for each traveler.

DCMO Inconsistently Reported Conferences

The Office of the DCMO inconsistently reported conferences by including seven events, costing \$1.4 million, that did not meet the DoD definition of a conference. For example, the DoD FY 2013 Conference Report incorrectly included two military exercises hosted by the Joint Chiefs of Staff in FY 2013, costing \$369,000, and excluded three similar events hosted by the Joint Chiefs of Staff. The two exercises included in the report did not meet the DoD definition of a conference because they were military exercises. The DoD definition exempts the reporting of military exercises. In another example, the DoD FY 2013 Conference Report incorrectly included one international cooperation engagement hosted by Pacific Command in FY 2013, costing \$347,000, while it exempted a second engagement hosted by Pacific Command which had a similar purpose. The DoD definition of a conference also exempts the reporting of international cooperation engagements.

Improved DCMO Oversight Needed

DCMO inconsistently reported DoD conference spending because the Office had an ineffective review process to ensure consistent application of conference exemptions. DCMO's existing process of reviewing the applicability of conference exemptions occurs on a "case-by-case" basis and lends itself to inconsistent reporting.

The Deputy Secretary of Defense made the Office of the DCMO responsible for implementing and executing conference guidance to DoD. An important part of effective implementation and execution of a program is reviewing information submitted to validate the data and ensure consistent reporting. DCMO should establish a comprehensive process to review conference reporting that identifies obvious reporting errors, and ensures consistent application and reporting of exemptions.

Conference Report Was Not Complete

DCMO's report did not include at least three DoD hosted conferences, with an estimated cost of \$1.7 million. Special Operations Command hosted two of the three conferences—the Special Operations Forces Strategic Forum and the Pacific Area Special Operations Conference—and DHA hosted the other conference, the

DHA's 2013 Military Health System Research Symposium. The Special Operations Forces Strategic Forum was hosted in

DCMO'S report did not include at least three DoD hosted conferences, with an estimated cost of \$1.7 million.

January 2013, with 200 DoD-sponsored attendees and a reported total cost of \$228,000. The Pacific Area Special Operations Conference was hosted in March 2013, with 250 DoD-sponsored attendees and a reported total cost of \$400,000. The DHA's 2013 Military Health System Research Symposium was hosted in August 2013, with 1,375 attendees and an estimated cost of \$1.1 million.

The three conferences¹ were approved by the appropriate authorities before being hosted.

The Office of the DCMO mistakenly excluded three conferences from the DoD FY 2013 Conference Report. This occurred because DCMO used a manual process to compile the Conference Report and overlooked an email response from Special Operations Command for two of its conferences. As of the fourth quarter of FY 2013, the manual reporting process was no longer in place. DCMO now requires that Components use the DoD Conference Tool to submit conference spending information. The Office notified Components of the requirement to report

¹ We identified only three conferences that were incorrectly excluded from the report. However, additional conferences that may have met the \$100,000 reporting threshold may not have been reported if DoD Components underestimated their costs.

conference data in the DoD Conference Tool through an official memorandum and e-mail. A third conference was not included in the DoD FY 2013 Conference Report because DHA did not report one conference to DCMO as being required in the report. DHA did not report the conference to DCMO because DHA Personnel misunderstood the new reporting requirement. As a result of the audit, DHA now understands the reporting process and has access to the DoD Conference Tool.

DCMO needs to improve the level of oversight to validate conference data used in the DoD Conference Report so that Congress can rely on DCMO's report to assess DoD's conference spending.

Recommendations, Management Comments, and Our Response

We recommend that the DoD Deputy Chief Management Officer:

Recommendation 1

Require DoD Components to maintain documentation to support reported conference costs, including a list of travelers to each conference along with a unique identifier for each traveler.

Deputy Chief Management Officer Comments

The Assistant Deputy Chief Management Officer, responding for the Deputy Chief Management Officer, concurred and stated that the current guidance does not require detailed lists of conference travelers. The Assistant Deputy Chief Management Officer stated that the Office of the Deputy Chief Management Officer is discussing with DoD Components a possible solution that will be implemented when the updated conference guidance is issued. In correspondence received after official comments, an Office of the Deputy Chief Management Officer official stated the Office of the Deputy Chief Management Officer plans to complete these actions by September 30, 2015.

Our Response

Comments from the Assistant Deputy Chief Management Officer addressed all of the specifics of the recommendation, and no further comments are required.

Recommendation 2

Implement a comprehensive process to review conference reporting to ensure consistent application and reporting of conference costs and exemptions to conference reporting.

Deputy Chief Management Officer Comments

The Assistant Deputy Chief Management Officer, responding for the Deputy Chief Management Officer, concurred and stated that DCMO is working with DoD Components, OMB, and other Federal agencies to enhance the consistent application of conference exemptions and the accuracy of cost reporting. DCMO also stated that the solutions developed as part of these efforts will be implemented with the updated DoD Conference Guidance. In correspondence received after official comments, an Office of the Deputy Chief Management Officer official stated the Office of the Deputy Chief Management Officer plans to complete these actions by September 30, 2015.

Our Response

Comments from the Assistant Deputy Chief Management Officer addressed all of the specifics of the recommendation, and no further comments are required.

Appendix

Scope and Methodology

We conducted this performance audit from February 2014 through November 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

DCMO reported a total of 80 conferences in DoD's FY 2013 Conference Report. To assess the accuracy of the DoD FY 2013 Conference Report, we randomly selected 8 of 16 conferences held in the fourth quarter. Specifically, we reviewed one conference held by the Department of the Army, one conference held by the Department of the Navy, four conferences held by NGB, one conference held by DIA, and one conference held by DHRA.

We focused on the fourth quarter because it was the period in which DCMO fully implemented its DoD Conference Tool. In addition, DCMO stated that the report was missing certain required reporting elements such as "audiovisual costs" and "refreshment costs" in the first three quarters of FY 2013. Table 3 lists the conferences we reviewed and the reported cost and attendance for each conference.

Table 3. Conferences Reviewed Including Estimated Cost and Number of Attendees.

Hosting Agency	Conference Title	Conference Date	Total Cost	Total Attendees
Department of the Army	U.S. Army Reserve Command Senior Leader's Forum	8/18/2013	\$238,000	202
Department of the Navy	2013 Electronics Management and Technical Skills Conference	8/19/2013	\$127,000	155
National Guard Bureau	ARNG G3 Synchronization Workshop	8/11/2013	\$404,000	447
National Guard Bureau	Cyber Shield 2013 Conference	9/9/2013	\$255,000	272
National Guard Bureau	Individual Training Workshop	8/19/2013	\$284,000	306
National Guard Bureau	Civil Support Team Working Group	8/19/2013	\$422,000	309
Defense Intelligence Agency	National Security Analysis and Intelligence Summer Seminars: Foundations	8/5/2013	\$119,000	40
Defense Human Resources Activity	2013 Secretary of Defense Employee Support Freedom Award Ceremony	9/26/2013	\$197,000	358
Total Reported Costs and Attendees for the Conferences Reviewed:			\$2,046,000	2,089

We interviewed officials responsible for tracking and reporting conference spending at the Department of the Army, Department of the Navy, NGB, DIA, and DHRA to understand how they tracked and reported conference costs to the Office of DCMO as well as the type of costs included in their calculation of total conference costs. We obtained supporting documentation such as travel vouchers, invoices, receipts, and attendee lists from the DoD Components that hosted the selected conferences. We compared the amounts in the supporting documents to the amounts reported in the DoD FY 2013 Conference Report. We used a 5-percent materiality threshold to determine whether the Conference Report estimates were reasonable.

To determine whether the DoD FY 2013 Conference Report was complete, we contacted officials in charge of reporting conferences at each DoD Component and requested a list of all DoD-hosted conferences for FY 2013 and compared the results of this request to the DoD FY 2013 Conference Report. We also obtained the submissions provided by the DoD Components to DCMO and compared them

to the DoD FY 2013 Conference Report to determine whether DCMO personnel included all qualifying conferences reported to them. In addition, we conducted Internet searches using key terms such as the Component's name and "conference" and "symposium" to identify additional DoD-hosted conferences and compared our search results to the FY 2013 DoD conferences report.

Use of Computer-Processed Data

We used computer-processed data to perform this audit. Specifically, we used data from the DoD Conference Tool, a web-based tool where Components logged conference costs data; the Defense Travel System; and the Integrated Automated Travel System. To assess the reliability of data obtained from the DoD Conference Tool, we compared conference costs reported to travel vouchers, invoices, receipts, and attendance lists. To assess the reliability of travel data obtained from the Defense Travel System and the Integrated Automated Travel System, we compared vouchers to travelers' receipts (when the expense exceeded \$75) and per diem computations. We determined the computer-processed data we used were sufficiently reliable to support the audit finding and conclusions in this report. The data reliability problems we identified are discussed in the finding.

Use of Technical Assistance

During the audit, we requested and received technical assistance from the DoD OIG Quantitative Methods Division. Quantitative Methods Division personnel assisted us with designing a sample selection for the conferences that occurred in fourth quarter FY 2013.

Prior Coverage

During the last 5 years, the Government Accountability Office issued one report related to our audit objective. Unrestricted Government Accountability Office reports can be accessed over the Internet at <http://www.gao.gov>.

Government Accountability Office

GAO-14-150 "DoD's Conference Policy is Generally Consistent with OMB's Requirements," January 21, 2014

Management Comments

Deputy Chief Management Officer



DEPUTY CHIEF MANAGEMENT OFFICER
9010 DEFENSE PENTAGON
WASHINGTON, DC 20301-9010

19 December 2014

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR DOD FINANCIAL
MANAGEMENT AND REPORTING (DEPARTMENT OF
DEFENSE INSPECTOR GENERAL)

SUBJECT: Comments to Draft Report, "The Office of the Deputy Chief Management Officer
Needs to Improve Oversight of the Department of Defense (DoD) Conference Report"
(Project No. D2014-D000FE-0134.000)

This memorandum responds to your request for comments on recommendations 1 and 2, contained in the subject draft audit report issued November 20, 2014. The Department concurs with recommendations 1 and 2. Our response to the recommendations is provided in the attachment.

We appreciate the factual accuracy of the report, and we believe it is important to highlight several key contextual elements that were not addressed, specifically the historical context of the conference oversight process, our efforts to continually improve the process, and, perhaps most importantly, the impact of sequestration and the changing regulatory and statutory landscape of Fiscal Year (FY) 2013. Consideration of these elements in combination with the information in this report provide a much clearer picture of the challenges faced by the Department while producing the FY 2013 DoD Annual Conference Report.

As the management authority for the DoD, the Office of the Deputy Chief Management Officer (ODCMO) developed a conference management and oversight policy, signed by the Deputy Secretary on September 29, 2012, that implemented the requirements contained in the Office of Management and Budget memorandum M-12-12. FY 2013 was the Department's first full year operating under an official DoD policy. Lessons learned during this initial year resulted in a Deputy Secretary approved interim policy update dated January 25, 2013, and a full policy revision implemented on November 6, 2013. Sequestration and congressional legislation added further complexity, imposing fiscal restrictions while imposing additional conference data collection and reporting requirements.

The ODCMO has always taken a proactive approach to improving policies and processes. By leveraging our continuous improvement capabilities and analyzing historical conference data, we designed comprehensive review and reporting processes and continue to identify and implement further process improvement opportunities. For example, we partnered with the Defense Travel Management Office to examine historical Defense Travel System (DTS) data, resulting in a conference selection capability in DTS. We also collaborated with the Cost Assessment and Program Evaluation office to enhance the Cost Guidance Portal with conference specific data fields. Additionally, the ODCMO developed and launched the DoD Conference Tool, providing the Department with a centralized and web accessible repository for tracking and reporting all DoD conference activity.

Deputy Chief Management Officer (cont'd)

We appreciate the opportunity to review and comment on the draft report. If you have any questions, [REDACTED] is my point of contact for this response. [REDACTED] may be reached by telephone at [REDACTED] or by email at [REDACTED].

[REDACTED]

David Tillotson, III
Assistant Deputy Chief Management Officer

Attachment:
As stated

Deputy Chief Management Officer (cont'd)

**DEPARTMENT OF DEFENSE OFFICE OF THE INSPECTOR GENERAL
DRAFT REPORT DATED NOVEMBER 20, 2014, PROJECT NO. D2014-D000FE-
0134.000 “THE OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER NEEDS
TO IMPROVE OVERSIGHT OF THS DOD CONFERENCE REPORT”**

**OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER (DCMO)
COMMENTS TO DoD IG DRAFT REPORT AND RECOMMENDATIONS**

GENERAL COMMENTS TO THE REPORT: The Department started FY 2013 implementing the DSD’s latest conference guidance, issued three days prior to the beginning of the fiscal year and established unprecedented conference oversight and reporting requirements. In January 2013, the Deputy Secretary amended his September 29, 2012 guidance, based on lessons learned and pending conference legislation. DCMO also convened a DoD Conference working group to shape a comprehensive revision of DoD conference guidance to incorporate lessons learned and best practices, as well as to accommodate two iterations of conference legislation (H.R. 933 and P.L. 113-6, “Consolidated and Further Continuing Appropriations Act, 2013”). Although not officially released until the first quarter of FY 2014, the Department implemented the revised guidance, particularly with regards to reporting, for the fourth quarter of FY 2013.

In an effort to meet statutory and Departmental oversight requirements for tracking and reporting DoD conference activity and related costs, DCMO executed manual data calls for the first three quarters of FY 2013 and transitioned to a web-based data collection Tool for the fourth quarter. Implementing the new data collection method simplified the process, reduced the opportunities for errors, and improved data accuracy going forward. The implementation of the data collection transition did, however, introduce additional complexity to a continuously shifting conference oversight environment, the impacts of which were further magnified by sequestration.

Additionally, it is worth noting that the DCMO also worked with CAPE, the DTMO and other DoD organizations to construct the criteria and parameters for tracking and reporting conference costs. We worked together to analyze several years of DoD travel records from the Defense Travel System (DTS) in an attempt to use existing data sources to isolate and track conference travel costs. Unfortunately, DCMO determined that this was not possible, given the available data; however, DCMO worked with DTS to develop and implement a capability to share information between data systems and better capture and track conference travel costs.

RECOMMENDATION 1: Require DoD Components to maintain documentation to support reported conference costs, including a list of travelers to each conference along with a unique identifier for each traveler.

DCMO RESPONSE: Concur. The DCMO, as DoD’s accountable official for conference oversight on behalf of the Secretary and Deputy Secretary of Defense, currently requires DoD Components maintain documentation in support of conference approval decisions and subsequent reporting activities. Current guidance does not, however, specifically require a

Deputy Chief Management Officer (cont'd)

detailed list of conference attendees or travelers. The DCMO is currently holding discussions with DoD Components to develop a solution to address this issue. The next iteration of the DoD Conference Guidance will implement this solution.

RECOMMENDATION 2: Implement a comprehensive process to review conference reporting to ensure consistent application and reporting of conference costs and exemptions to conference reporting.

DCMO RESPONSE: Concur. The DCMO established a conference review process immediately upon delegation of conference review and approval responsibilities outlined in OMB Memorandum M-12-12. Since that time, the DCMO has worked to continuously improve the conference review and reporting processes through data insights, lessons learned, and best practices. In keeping with its commitment to continuous process improvement, the DCMO is currently working with DoD Components, OMB, and other Federal agencies to enhance the consistent application of conference policy, particularly exemptions, and accuracy of cost reporting. Solutions resulting from these collaborative activities will be implemented as soon as practicable and will be codified within the next iteration of DoD Conference Guidance.

Acronyms and Abbreviations

DCMO Deputy Chief Management Officer

DHA Defense Health Agency

DHRA Defense Human Resources Activity

DIA Defense Intelligence Agency

NGB National Guard Bureau

OMB Office of Management and Budget

Whistleblower Protection

U.S. DEPARTMENT OF DEFENSE

The Whistleblower Protection Enhancement Act of 2012 requires the Inspector General to designate a Whistleblower Protection Ombudsman to educate agency employees about prohibitions on retaliation, and rights and remedies against retaliation for protected disclosures. The designated ombudsman is the DoD Hotline Director. For more information on your rights and remedies against retaliation, visit www.dodig.mil/programs/whistleblower.

For more information about DoD IG reports or activities, please contact us:

Congressional Liaison

congressional@dodig.mil; 703.604.8324

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