

U.S. Department of Labor

Office of Inspector General—Office of Audit

OFFICE OF PUBLIC AFFAIRS



AUDIT OF SPENDING AND MANAGEMENT CONTROL OF THE DEPARTMENT OF LABOR WEBSITES

Date Issued: September 29, 2006
Report Number: 03-06-007-01-001

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: **03-06-007-01-001**, a report to the Assistant Secretary for Public Affairs

WHY READ THE REPORT

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), conducted an audit of the Enterprise Communications Initiative (ECI) of DOL websites. We initiated the audit at the suggestion of the Deputy Secretary of Labor. In July 2004, the Secretary of Labor announced the ECI, to better manage DOL's dispersed public Internet and Intranet websites, communications centers and translation services. The prime purpose of the ECI is to make more effective use of DOL assets by eliminating wasteful duplication and reconciling inconsistencies across the Department's communication channels that may confuse or mislead the public. The Secretary of Labor delegated authority and assigned responsibility to the Assistant Secretary for Public Affairs for implementing and managing the ECI.

WHY OIG CONDUCTED THE AUDIT

The OIG conducted the audit to answer the following:

1. What is the universe of DOL Internet websites?
2. Do DOL Internet websites comply with the "common look and feel" standards and the "dot-gov" suffix requirements?
3. Are DOL agencies accurately accounting for the purchases, staff, and contracting resources dedicated to developing and maintaining their websites?

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/2006/03-06-007-01-001.pdf>

SEPTEMBER 2006

Audit of Spending and Management Control of the Department of Labor Websites

WHAT OIG FOUND

There are 35 DOL Internet websites and 7 DOL partnered or sponsored websites. We found the 35 DOL websites complied with the "common look and feel" standards and the "dot-gov" suffix requirements. The "common look and feel" standards and the "dot-gov" requirements did not apply to the seven DOL partnered or sponsored websites.

DOL agencies did not accurately account for the costs of purchases, staff, and contracting services dedicated to developing and maintaining their websites. Specifically, we found that:

- written policies requiring the use of the WEB accounting code for reporting the cost of developing and maintaining websites as website costs were ineffective;
- DOL's accounting system was not capable of allocating the cost of staff who spend part of their time on website activities; and
- there was inadequate monitoring to ensure that costs that were intended to be reported as website costs were reported correctly in DOLAR\$.

As a result of these deficiencies, DOL does not have the ability to measure accurately the costs or savings benefits of ECI as it relates to DOL Internet and Intranet activities.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Public Affairs:

1. Develop and implement specific policies and procedures requiring DOL agencies to report website related costs in DOLAR\$.
2. Require agency management to monitor the use of the WEB accounting code.
3. Work with the OCFO to develop procedures for allocating the costs of agency staff who work part-time on website related activities.

The Deputy Assistant Secretary for Public Affairs agreed with the findings and recommendations.

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Executive Summary

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), conducted an audit of the Enterprise Communications Initiative (ECI) of DOL websites. We initiated the audit at the suggestion of the Deputy Secretary of Labor.

In July 2004, the Secretary of Labor announced the ECI, to better manage DOL's dispersed public Internet and Intranet websites, communications centers and translation services. The prime purpose of the ECI is to make more effective use of DOL assets by eliminating wasteful duplication and reconciling inconsistencies across the Department's communication channels that may confuse or mislead the public. The ECI supports the President's Management Agenda component of expanded E-Gov by utilizing the Internet to support the dissemination of vital DOL information and data to the public. The Secretary of Labor delegated authority and assigned responsibility to the Assistant Secretary for Public Affairs (ASPA) for implementing and managing the ECI. Under the ASPA, the Office of Public Affairs (OPA) is responsible for establishing ECI policies, standards, and procedures designed to provide an operational and technical framework that facilitates the agencies' ability to meet their program missions and functions while ensuring departmental compliance with administrative and legislative requirements and mandates.

We conducted the audit to answer the following:

1. What is the universe of DOL Internet websites?
2. Do DOL Internet websites comply with the "common look and feel" standards and the "dot-gov" suffix requirements?
3. Are DOL agencies accurately accounting for the purchases, staff, and contracting resources dedicated to developing and maintaining their websites?

Results

There are 35 DOL Internet websites and 7 DOL partnered or sponsored websites. We found the 35 DOL websites complied with the common look and feel standards and the "dot-gov" suffix requirements. The "common look and feel" standards and the "dot-gov" requirements did not apply to the seven DOL partnered or sponsored websites.

DOL agencies did not accurately account for the costs of purchases, staff, and contracting services dedicated to developing and maintaining their websites. Specifically, we found that agencies did not always use the WEB accounting code to ensure that costs dedicated to developing and maintaining websites were reported as website costs in DOL's accounting system, DOLAR\$. Therefore, the website costs in

DOLAR\$ are understated.¹ We found that: written policies requiring the use of the WEB accounting code for reporting the cost of developing and maintaining websites as website costs were ineffective; DOL's accounting system was not capable of allocating the cost of staff who spend part of their time on website activities; and there was inadequate monitoring to ensure that costs that were intended to be reported as website costs were reported correctly in DOLAR\$. As a result, DOL does not have the ability to measure accurately the costs savings benefits of ECI as it relates to DOL Internet and Intranet activities.

Recommendations

We recommend that the Assistant Secretary for Public Affairs:

1. Develop and implement specific policies and procedures requiring DOL agencies to report website related costs in DOLAR\$.
2. Require agency management to monitor the use of the WEB accounting code.
3. Work with the OCFO to develop procedures for allocating the costs of agency staff who work part-time on website related activities.

Agency Response

In response to the draft audit report, the Deputy Assistant Secretary for Public Affairs agreed with the report's findings and recommendations, but did not provide specific corrective actions because those actions will require the involvement of other agencies.

OIG Conclusion

The recommendations are unresolved, pending receipt of a corrective action plan.

¹ The costs may have been accurately reported in the DOLAR\$; however, the agencies did not report the costs as website costs by using the WEB accounting code.



Assistant Inspector General's Report

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The U.S. Department of Labor (DOL), Office of Inspector General (OIG), conducted an audit of the Enterprise Communications Initiative (ECI) of DOL websites. We initiated the audit at the suggestion of the Deputy Secretary of Labor.

We conducted the audit to answer the following:

1. What is the universe of DOL Internet websites?
2. Do DOL Internet websites comply with the “common look and feel” standards and the “dot-gov” suffix requirements?
3. Are DOL agencies accurately accounting for the purchases, staff, and contracting resources dedicated to developing and maintaining their websites?

We conducted our audit in accordance with Generally Accepted Government Auditing Standards for performance audits. Our objectives, scope, methodology, and criteria are detailed in Appendix B.

Objective 1 – What is the universe of DOL Internet websites?

Results – There are 35 DOL Internet Websites and 7 DOL Partnered or Sponsored Websites.

On July 9, 2004, the Office of Public Affairs (OPA) implemented a policy requiring approval for all DOL agency Internet and Intranet websites. The policy requires agencies to submit a “Request for Web Site Authorization Form” to OPA for approval and once the approval has been granted, a domain name request can be submitted to OPA.

To determine the universe of DOL Internet websites, we obtained a schedule of the Department's Internet websites from OPA. We then performed an Internet web search using the names of DOL agencies and listed all identifiable departmental Internet websites. Next, we compared our list to OPA's schedule and reconciled any differences with OPA officials.

We identified 35 DOL websites and 7 DOL partnered or sponsored websites. See Exhibit A for a list of the 35 DOL websites and Exhibit B for a list of the 7 DOL partnered or sponsored websites.

Objective 2 – Do DOL Internet websites comply with the “common look and feel” standards and the “dot-gov” suffix requirements?

Results – DOL Internet Websites Complied with the “Common Look and Feel” Standards and the “Dot-gov” Suffix Requirements. The “Common Look and Feel” Standards and “Dot-gov” Requirements Did Not Apply to the Seven DOL Partnered or Sponsored Websites.

Common look requirements are contained in the *DOL Web Community Standards for Design, Navigation & Cross-Functionality Standards*.² According to this document, the common design, navigation, and cross-functionality standards were established for all DOL agency websites to offer customers full access to the entire range of the Department's web-based information and services, regardless of the point at which they enter the system. The document states that reaching the goal of providing the convenience of "one-stop shopping" in a large and diverse web community requires that each agency's website, in addition to serving its own particular constituency, must be recognizable as part of the DOL network of websites and provide mechanisms for consistent, Department-wide navigation. The document establishes common design, navigation, and cross-functionality standards for all DOL agency websites and provides guidance for the DOL web community in the design and development of web pages based on these standards. For exceptions or changes to the standards, agencies must submit a request to the OPA. OPA will share the request with the Content Workgroup and the Internet Management Group (IMG) for review and approval.

We reviewed OPA's policies and procedures contained in the *DOL Web Community Standards for Design, Navigation, & Cross-Functionality*. We identified the standards that agencies were required to follow in order to achieve the “common look and feel.” We then visited the Internet websites identified in our universe and determined if the websites complied with each of the standards contained in the policies and procedures. We reviewed the websites for compliance with the standards for the following:

² Dated April 4, 2002, and updated on May 15, 2002, to reflect changes approved by the DOL IMG.

- Color Palette
- Typography
- Page Header
- Page Body
- Links
- Visual Hierarchy
- Page Footer
- Right Navigation Bar
- Horizontal Navigation Bar
- Destination Page
- Search Index
- Contact Us

We determined the 35 DOL Internet websites complied with the “common look and feel” guidelines standards developed by DOL's IMG. Also, all agency requests for exceptions from the website standards were approved by the Office of the Assistant Secretary for Policy. The “common look and feel” standards did not apply to the seven DOL partnered or sponsored websites.

DOL's Domain Name Request Principle states that a Fully Qualified Domain Name (FQDN) is a website's full name including the extension, e.g., www.dol.gov. All FQDNs for DOL websites must end with “dot.gov”, except for partnered sites. We determined that all 35 DOL Internet websites complied with the “dot-gov” suffix requirement.

Objective 3 – Are DOL agencies accurately accounting for purchases, staff, and contracting resources dedicated to developing and maintaining the agencies' websites?

Results – DOL Agencies Are Not Fully Accounting for the Costs of Developing and Maintaining Their Websites.

DOL agencies did not accurately account for the costs of purchases, staff, and contracting services dedicated to developing and maintaining their websites. Specifically, we found that agencies did not always use the WEB accounting code to ensure that costs dedicated to developing and maintaining websites were reported as website costs in the Department's accounting system (DOLAR\$). Therefore, the website costs in DOLAR\$ are understated.³ We found that: written policies requiring the use of the WEB accounting code for reporting the cost of developing and maintaining websites as website costs were ineffective; DOL's accounting system was not capable of allocating the cost of staff who spend part of their time on website

³ The costs may have been accurately reported in the DOLAR\$; however, the agencies did not report the costs as website costs by using the WEB accounting code.

activities; and there was inadequate monitoring to ensure that costs that were intended to be reported as website costs were reported correctly in DOLAR\$. As a result, DOL does not have the ability to measure accurately the costs savings benefits of ECI as it relates to DOL Internet and Intranet websites.

One of the benefits of implementing the ECI was to leverage economies of scale. According to OPA, the ECI consolidation efforts can result in significant cost savings by reducing duplicative systems. OPA estimated the cost savings to be \$141 million over 10 years. Therefore, it is important that OPA has accurate website costs in order to measure the benefits of consolidating agency website resources.

The requirements for reporting website costs in DOLAR\$ are provided in a January 8, 2004, memorandum for Agency Heads jointly issued by the Acting Assistant Secretary for Public Affairs, the Assistant Secretary for Administration and Management, and the Assistant Secretary for Policy. The memorandum stated that the Department has taken several steps, like the new WEB accounting code, to begin to quantify what is being spent in the Department overall on web-related development. The memorandum stated that in order to help agencies keep track of website costs, the Office of the Chief Financial Officer (OCFO) has created a new project code for Web-related purchases. The WEB code should be used to identify any procurement of website or Internet equipment or services including:

- Software
- Graphics production/editing
- Programming editors
- Animation
- Database applications
- Metrics applications
- Content management applications
- Hardware
- Web servers
- Email servers
- Development systems
- Contract services
- Hosting services
- Contract developers

The memorandum went on to state that by capturing this data in the accounting system, DOL will be able to generate useful management information. Further, the memorandum stated that the agency's staff has been advised that the WEB code should be added to the 22-digit appropriations code and that procurement officers have been informed of this requirement and will be reviewing purchases to ensure the code is used where appropriate.

There were two subsequent memoranda issued to agency heads reminding them of DOL website policies requiring the use of the WEB accounting code for all website related expenses. The first memorandum was issued by the Secretary of Labor on July 20, 2004, and the second memorandum was jointly issued by the Assistant Secretary for Administration and Management, the Chief Information Officer and the Assistant Secretary for Public Affairs, on July 29, 2005.

OPA officials told us that the January 8, 2004, memorandum was the primary policy for agencies to follow in reporting website costs and they had conducted several presentations on the requirement to include the payroll costs of Department employees working on websites.

To determine if agencies were accurately accounting for website costs, we judgmentally selected five agencies using a report of website costs from DOLAR\$ as of June 16, 2006. The DOLAR\$ report showed \$6,233,031 in the total website costs reported using the WEB accounting code. We selected two agencies that did not report any website costs, two agencies that appeared to have underreported website costs, and one agency that appeared to have accurately reported website costs. At these agencies, we interviewed staff responsible for the management of the websites, staff responsible for procuring website related goods and services, and staff responsible for reporting website costs in DOLAR\$. We obtained an understanding of the agencies' internal controls related to reporting website costs in DOLAR\$ and obtained and reviewed applicable policies and procedures.

The following table shows the amount of costs reported in DOLAR\$ using the WEB accounting code for the period FY 2004 to June 16, 2006.

Agencies' Website Costs in DOLAR\$
FY 2004 to June 16, 2006

Agency	Amount
Employment Standards Administration	\$10,000
Bureau of Labor Statistics	\$0
Occupational Safety and Health Administration	\$0
Employment and Training Administration	\$1,021,906
Mine Safety and Health Administration	\$115,909
OCFO	\$192,129
OPA	\$3,979,646
Office of Assistant Secretary for Administration and Management (OASAM)	\$748,130
Office of Administrative Law Judges	\$10,000
Office of the Deputy Secretary	\$10,000
Office of the Solicitor	\$70,000
Office of the Assistant Secretary for Policy	\$75,311
Total	\$6,233,031

Overall, we concluded that DOL agencies are not accurately accounting for the costs of purchases, staff, and contracting services dedicated to developing and maintaining their websites. DOL agency staff told us that written policies requiring the reporting of website related costs were unclear and they needed further guidance on what costs were required to be reported as website cost using the WEB code. Additionally, DOL agency staff told us that PeopleTime, the Department's payroll system, is not capable of allocating the cost of staff who spend part of their time on website activities. Finally, we concluded that agency monitoring to ensure costs that were intended to be reported as website costs were reported correctly in DOLAR\$ was ineffective.

The following provides details of the results at each agency selected for review.

Sampled Agencies That Reported No Website Costs

Occupational Safety and Health Administration (OSHA)

OSHA did not report any website costs in DOLAR\$ as of June 16, 2006. OSHA officials had problems using the WEB accounting codes in the Department's e-Procurement System (EPS) and they were uncertain of the WEB accounting guidance policies. Therefore, they maintained their own records of the website costs incurred and did not report them in DOLAR\$ using the WEB accounting code.

OSHA officials said they encountered problems in their initial attempt to use the WEB accounting code with the Department's e-Procurement System (EPS). They acknowledged that they did not follow up to ensure the WEB project code worked after DOL addressed the problems with the EPS. OSHA officials recommended that for better reliability, the OCFO should establish two specific subobject class codes in "Other Services."

Concerning the type of costs to report, OSHA officials also told us there was confusion on their part as to what constituted "web development and maintenance" costs and whether program costs for developing materials that use the medium of the web should be included. They were also not clear on some of the cost item requirements. OSHA officials also told us they have websites for various region/state areas. Since these region/state areas have different issues, OSHA is responsible for maintaining and updating the websites' content. OSHA officials told us they received conflicting guidance from OPA on whether or not to include the costs of these websites. Rather than misstate their actual costs in DOLAR\$, OSHA officials decided it was better to maintain their website costs "off-line" and not report them.

OSHA officials provided us documentation that showed the costs for the headquarters' website totaled \$5,757,967 for FY 2004 through July 2006. We did not audit these costs and are only disclosing them to show the significance of the potential costs not reported as website costs in DOLAR\$. Subsequent to our work at OSHA, we obtained an updated report of website costs in DOLAR\$ as of July 27, 2006. We found that the balance for OSHA showed \$242,500.

Bureau of Labor Statistics (BLS)

DOLAR\$ did not reflect any website costs for BLS as of June 16, 2006. Officials told us they reported BLS website costs when the WEB accounting code became available and that as of July 30, 2006, the costs should be \$4,040,177. Subsequently, we requested an updated DOLAR\$ report from the OCFO. The report, dated July 27, 2006, showed that BLS had \$4,040,177 in website costs for the period FY 2004 to current. We followed up with the OCFO and were told the June 16, 2006, report was in error and the BLS used the WEB accounting code the last two fiscal years.

Concerning payroll costs, BLS officials stated they did not use the WEB accounting code for the cost of BLS staff working on website activities. BLS officials stated that the January 8, 2004, memorandum and follow-up memoranda on reporting website costs did not direct agencies to include Federal staff compensation costs. Additionally, BLS officials stated that DOLAR\$ does not have the capability for using the WEB accounting code for staff who spend part of their time on website activities. BLS estimated staff costs for website activities to be \$1,454,468 for FY 2006.

As a result of our audit work, BLS officials stated they now believe that the amount of funds obligated under the WEB accounting code may be overstated in two ways. First, the reported costs captured data management activities of contract staff, which officials stated will be excluded in the future. Secondly, BLS officials stated that they need to revisit the inclusion of the costs for their Internet Data Collection Facility (IDCF) website and the BLS Central Intranet website based on the definitions in Secretary's Order 2-2005. They stated the IDCF is a web-based data collection application, which is restricted to respondents who must authenticate themselves before proceeding past the home page, while the BLS Central Intranet website is restricted to BLS staff. BLS officials stated that both websites are outside the scope of the ECI. BLS officials said they would work with the Department to refine their use of the WEB accounting code.

The above results demonstrate that agencies had differing interpretations of DOL's website cost reporting policies. Based on interviews with OPA officials and a review of the Secretary's Order and policy memorandum, we believe the intent of the policies is to include the cost of Intranet websites and that the costs of agency staff working on website activities should be reported using the WEB accounting code.

Sampled Agencies That Appeared to Have Underreported Website Costs

Employment Standards Administration (ESA)

The DOLAR\$ report as of June 16, 2006, showed that ESA reported \$10,000 in website costs. ESA officials told us that the January 8, 2004, memorandum on reporting the website costs in DOLAR\$ using the WEB accounting code was confusing. The memorandum mentioned items not generally used for web development and maintenance and ESA believed that the memorandum did not relate to its web

operations. Thus, costs associated with web development and maintenance may have been omitted or not properly captured.

Additionally, ESA officials told us that OPA develops, hosts, and publishes the ESA's Internet website. As a result, most of the website costs for ESA are staff payroll or contractor related and may be included in multiple duties and responsibilities performed by these individuals. These costs are extremely difficult for the Agency to capture and report using the WEB accounting code. ESA officials believe these costs may not be material.

Employment and Training Administration (ETA)

The DOLAR\$ report as of June 16, 2006, showed that ETA reported \$1,021,906 in website costs. ETA officials told us they have reported acquisition costs but not the costs of ETA staff who spent time on websites.

ETA officials said that ETA website and budget staff enters the WEB accounting code on procurement requests. However, ETA accounting staff inputs the procurement request into EPS and OASAM executes the procurement. According to the ETA website staff, they are uncertain if ETA accounting staff always enters the WEB accounting code for website related procurements into EPS. ETA officials provided us a listing of website related purchases. We compared these purchases to the June 2006 DOLAR\$ report of website costs and found it was understated by \$5.6 million. Subsequently, we requested an updated DOLAR\$ report on website costs from the OCFO. The report, dated July 27, 2006, showed that ETA had \$2,628,126 in website costs for the period FY 2004 to current, which reduced the understated amount to \$4,064,199. We did not audit these costs and are only disclosing them to show the significance of the potential costs not reported as website costs. We concluded that ETA did not monitor the DOLAR\$ reports to ensure that the costs using the WEB accounting code were correctly entered.

ETA officials told us that they have two staff members who work full-time on the ETA websites, but it was their interpretation that the January 8, 2004, memorandum did not require payroll costs of Federal staff to be reported as website costs. ETA officials stated that if this was a requirement, then the memorandum is not clear.

Sampled Agency That Appeared to Have Correctly Reported Website Costs

Mine Safety and Health Administration (MSHA)

The DOLAR\$ report as of June 16, 2006, showed that MSHA reported \$115,909 in website costs. We classified MSHA as having correctly reported website costs because the object class code on the DOLAR\$ report showed these as personnel costs. Therefore, MSHA was using the WEB accounting code to report the costs of staff who spent time on website activities.

MSHA officials told us that they have full-time staff working on MSHA's websites; therefore, they were able to use the WEB accounting code to report these costs. However, subsequent to our initial interviews with MSHA officials, they did identify costs totaling \$34,866 that were not previously reported using the WEB accounting code. MSHA officials told us they identified this during their reconciliation procedures.

* * * * *

Based on the above results, we concluded that the internal controls to ensure that website costs are properly reported were ineffective. The January 8, 2004, memorandum, the primary policy for agencies to follow in reporting website costs, is not clear on the specific type of costs (such as Federal staff costs and agency Intranet costs) that should be reported as website costs. Additionally, the memorandum is not available on OPA's ECI web page on DOL's Labornet Intranet website. There are no DOL-wide procedures to use the WEB accounting code to allocate the cost for agency Federal staff who spend part of their time on website related activities. Finally, we concluded that some agencies were not effectively monitoring whether the WEB accounting codes were properly entered into DOLAR\$ by reconciling DOLAR\$ query reports to website costs that were intended to be coded using the WEB accounting code.

OASAM procurement officials told us that its Business Operations Center (BOC), Office of Procurement Services (OPS), is responsible for procuring IT-related acquisitions for DOL agencies except for MSHA, Job Corps, and BLS. DOL agencies are responsible for entering the WEB accounting code on their procurement documents. In June 2006, OASAM notified agency procurement officials that OPS has been tasked with reviewing procurement items to ensure compliance with website related cost reporting requirements. Therefore, OPS implemented a procedure requiring agencies to complete a memorandum stating whether or not the computer based services are website related costs. The OPS specialist will review the purchase order, and if the specialist recognizes that the product is website-related, or the purchase order is marked with the WEB accounting code, the specialist will check the "Internet Page Development Services" box on the OPS Approval Checklist. The website related procurements are then sent to OPA for approval. We obtained a DOLAR\$ report dated July 27, 2006, of website costs reported using the WEB accounting code. This report showed total website costs to be \$18,607,500, a significant increase from the June 16, 2006, report. We did not determine the reasons for the differences between the two reports.

Recommendations:

We recommend that the Assistant Secretary for Public Affairs:

1. Develop and implement specific policies and procedures requiring DOL agencies to report website related costs in DOLAR\$.
2. Require agency management to monitor the use of the WEB accounting code.
3. Work with the OCFO to develop procedures for allocating the costs of agency staff who work part-time on website related activities.

Agency Response

In response to the draft audit report, the Deputy Assistant Secretary for Public Affairs agreed with the report's findings and recommendations, but did not provide specific corrective actions because those actions will require the involvement of other agencies.

OIG Conclusion

The recommendations are unresolved, pending receipt of a corrective action plan.



Elliot P. Lewis
August 24, 2006

Exhibits

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EXHIBIT A

List of DOL Internet Websites

<u>Count</u>	<u>Site Name</u>	<u>URL</u>
1	DOL Home Page	http://www.dol.gov/
Organizational Home Pages		
2	Office of the 21 st Century Workforce	http://www.dol.gov/21cw/
3	Administrative Review Board	http://www.dol.gov/arb/
4	Bureau of Labor Statistics	http://www.bls.gov/
5	Benefits Review Board	http://www.dol.gov/brb/
6	Center for Faith-Based & Community Initiative	http://www.dol.gov/cfbc/
7	Employee Benefits Security Administration	http://www.dol.gov/ebsa/
8	Employee Compensation Appeals Board	http://www.dol.gov/ecab/
9	Ombudsman for the Energy Employees Occupational Illness Compensation Program	http://www.dol.gov/eeombd/
10	Employment Standards Administration	http://www.dol.gov/esa/
11	Office of Federal Contract Compliance Programs	http://www.dol.gov/esa/ofccp/
12	Office of Labor-Management Standards	http://www.dol.gov/esa/olms_org.htm
13	Office of Workers' Compensation Programs	http://www.dol.gov/esa/owcp_org.htm
14	Wage and Hour Division	http://www.dol.gov/esa/whd/
15	Employment & Training Administration	http://www.doleta.gov/
16	Bureau of International Labor Affairs	http://www.dol.gov/ilab/
17	Mine Safety & Health Administration	http://www.msha.gov/
18	Office Safety & Health Administration	http://www.oalj.dol.gov/
19	Office of the Assistant Secretary for Administration and Management	http://www.dol.gov/oasam/
20	Office of the Assistant Secretary for Policy	http://www.dol.gov/asp/
21	Office of the Chief Financial Officer	http://www.dol.gov/ocfo/
22	Office of Congressional Intergovernmental Affairs	http://www.dol.gov/ocia/bio-iverson.htm
23	Office of the Information Officer	http://www.dol.gov/cio/
24	Office of Disability Employment Policy	http://www.dol.gov/odep/
25	Office of Inspector General	http://www.oig.dol.gov/
26	Office of Small Business Programs	http://www.dol.gov/osbp/
27	Office of the Secretary	http://www.dol.gov/_sec/
28	Occupational Safety & Health Administration	http://www.osha.gov/
29	Office of the Solicitor	http://www.dol.gov/sol/
30	Veterans' Employment & Training Service	http://www.dol.gov/vets/
31	Women's Bureau	http://www.dol.gov/wb/
32	Employment Standard Administration – Youth2Work	http://youth2work.gov/ ; File Location: /_virtuals/youth2work/
33	Employment Standard Administration - Youth Rules!	http://www.youthrules.dol.gov/ ; File Location: /_virtuals/youthrules/
34	Office of the Assistant Secretary for Policy - elaws	http://www.elaws.dol.gov/ ; Redirect to http://www.dol.gov/elaws/
35	Job Corps	http://jobcorps.dol.gov

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EXHIBIT B

List of DOL Partnered/Sponsored Websites

<u>Count</u>	<u>Site Name and Partner/Sponser</u>	<u>URL</u>
1	21CW / Women-21 Office of the 21st Century Workforce	http://www.women-21.gov/
2	ESA – Wage Determinations Online Employment Standard Administration	http://www.wdol.gov/
3	ETA – America’s Career Information Net Employment & Training Administration	http://www.acinet.org
4	ETA – America’s Job Bank Employment & Training Administration	http://www.ajb.dni.us/
5	ETA – Job Corps Career Development Resource Employment & Training Administration	http://www.jccdrc.org/
6	ITC – GovBenefits Information Technology Center	http://www.govbenefits.gov/
7	ODEP – Disability Information Office of Disability Employment Policy	http://www.disabilityinfo.gov/

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Appendices

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BACKGROUND

In July 2004, the Secretary of Labor announced the ECI to better manage DOL's dispersed public Internet and Intranet websites, communications centers, and translation services. The prime purpose of the ECI is to eliminate wasteful duplication of DOL communication assets and reconcile inconsistencies across the Department's communication channels that may confuse or mislead the public. The ECI supports the President's Management Agenda component of expanded E-Gov by utilizing the Internet to support the dissemination of vital DOL information and data to the public.

On September 30, 2005, the Secretary of Labor issued Secretary's Order 2-2005, to establish policy and assign responsibilities for the management of the DOL enterprise communications services, namely, Internet and Intranet websites, telephone contact centers, electronic correspondence, translation services, and similar activities. The order delegated authority and assigned responsibility to the Assistant Secretary for Public Affairs (ASPA) for implementing and managing the ECI. Additionally, it directed OPA to establish ECI policies, standards, and procedures designed to provide an operational and technical framework that facilitates the agencies' ability to meet their program missions and functions while ensuring departmental compliance with administrative and legislative requirements and mandates.

Concerning DOL Agency Heads, the order delegated authority and assigned them responsibility for developing, implementing, improving, and expanding their respective agency enterprise communications services in accordance with DOL policy and standards. One of the responsibilities listed in the order was that DOL agency heads ensure that DOL policies, standards, and procedures are implemented, as applicable.

The ECI sets "best practice" standards and guidelines, and, where feasible, establishes centralized facilities – some hardware-based, some software-based, and some procedural. DOL agencies are expected to participate in consolidating services unless they could make a business case that such participation was contrary to statute or regulation, or otherwise would have a negative impact on the ability of the agency to fulfill its mission and its responsibilities to the U.S. taxpayers.

The ECI recognizes that each individual agency has its own specific mission, responsibilities, and customer base, and consolidation efforts would be most applicable to agency functions that overlap or have a high degree of compatibility. DOL designed the ECI to consolidate those services with clear benefit to participating agencies. The benefits will be measurable and demonstrable.

One of the benefits of implementing the ECI is to leverage economies of scale. According to OPA, the ECI consolidation efforts can result in significant costs saving, estimated to be \$141 million over 10 years, by reducing duplicative systems.

OPA's Division of Enterprise Communications, formerly called the Division of Web Communication Services, is responsible for the centralization of e-correspondence, call center, Internet, Intranet, and translation services within DOL.

OBJECTIVES, SCOPE, METHODOLOGY, AND CRITERIA

The Deputy Secretary of Labor suggested that OIG conduct an audit of DOL's spending on, and management control over, its websites.

Objectives

We conducted the audit to answer the following:

1. What is the universe of DOL Internet websites?
2. Do DOL Internet websites comply with the "common look and feel" and the "dot-gov" suffix requirement?
3. Are DOL agencies accurately accounting for the purchases, staff, and contracting resources dedicated to developing and maintaining their websites?

Scope and Methodology

For website costs, our audit included both Internet and Intranet sites because Secretary's Order 2-2005, stated that the consolidation of agency resources covered both Internet and Intranet. For the common look and universe of websites, our audit only included DOL Internet websites. We did not include Intranet sites in the common look and feel work because the Secretary's Order stated Intranet sites were not within the scope of the ECI. We did not consider the number of Intranet sites in our determination of the universe because of the amount of time that would have been needed to identify and access agency Intranet websites and count them. For DOL Internet and Intranet website costs, our audit covered the period FY 2004 through July 2006, and for the common look and universe of DOL websites, our audit covered Internet websites operational as of March, 2006.

To determine the universe of DOL Internet websites, we obtained a schedule of the Department's Internet websites from OPA. We then performed an Internet web search using the names of DOL agencies and listed all identifiable departmental Internet websites. Next, we compared our list to OPA's schedule and reconciled any differences with OPA officials.

To determine if DOL agencies complied with the Secretary's Order 2-2005, requiring all websites have a "common look and feel" and the "dot-gov" suffix, we reviewed OPA's policies and procedures contained in the *DOL Web Community Standards for Design, Navigation, & Cross-Functionality*. We identified the standards that agencies were required to follow in order to achieve the "common look and feel." We then visited each of the Internet websites identified in our universe and determined if the website complied with each of the standards contained in the policies and procedures.

To determine if DOL agencies accurately reported website costs, we interviewed OASAM, OCFO, and OPA officials to determine the policies and procedures agencies were required to follow to report website related costs in DOLAR\$. There were 19 DOL agencies that had Internet websites. We requested a DOLAR\$ report on website related costs from the time the costs were required to be reported to June 16, 2006. The report showed the total website's costs using the WEB accounting code were \$6,233,031. Using this report, we judgmentally selected five agencies for our audit. Specifically, we selected two agencies that did not report any website costs, two agencies that appeared to have under-reported website costs, and one agency that appeared to have accurately reported website costs. The agencies and purpose for selecting them were as follows:

- OSHA and BLS – Did not report website costs.
- ESA and ETA – Appeared to have underreported website costs.
- MSHA - Appeared to have accurately reported website costs.

At these agencies, we interviewed staff responsible for the management of the websites, procuring website related goods and services, and reporting website costs in DOLAR\$. We obtained an understanding of the agencies' internal controls related to reporting website costs in DOLAR\$ and obtained and reviewed applicable policies and procedures.

Internal Controls

Our work on established internal controls included obtaining and reviewing policies and procedures, as well as, interviewing key personnel. We gained an understanding of the data flows in each audit area and documented a description of the controls. Our testing of internal controls focused only on the controls related to our objectives of assessing compliance with significant laws, regulations, and policies and procedures and was not intended to form an opinion on the adequacy of internal controls overall, and we do not render such an opinion. Weaknesses noted in our testing are discussed in the Results and Findings section of this report.

Auditing Standards

We conducted our audit in accordance with Generally Accepted Government Auditing Standards for performance audits. Fieldwork was conducted from March 15, 2006, to August 24, 2006. We performed all our fieldwork at the agencies' national offices in Washington, DC.

An audit made in accordance with these standards provides reasonable assurance that its objectives have been achieved, but it does not guarantee the discovery of illegal

acts, abuse, or all internal control weaknesses. We believe our audit provides a reasonable basis for our assessment and conclusions.

The conclusions provided in this report are the result of our audit for the period March to August 2006, unless cited otherwise in this report. Changes in management of the program, including changes in controls, laws, regulations, and other compliance requirements, could result in performance that would be different from the performance during that period.

Criteria

We used the following criteria to perform this audit:

- DOL Web Community Standards for Design, Navigation & Cross – Functionality Standards, April 4, 2002, (updated to reflect changes approved by the IMG on May 15, 2002)
- Memorandum for Agency Heads from Chris Spear, Assistant Secretary for Policy, - Agency Web Review and Clearance Processes, December 15, 2003
- Memorandum for Agency Heads from Lisa Kruska, Acting Assistant Secretary for Public Affairs, Patrick Pizzella, Assistant Secretary for Administration and Management, Chief Information Officer and Chris Spear, Assistant Secretary for Policy, - Improving the Management of DOL Web Sites, January 8, 2004
- Agency Web Review and Clearance Process Guidelines, February 1, 2004
- New Web Site Authorization, Updated July 9, 2004
- Domain Name Service Request Principles, no date
- Memorandum for Agency Heads from Elaine L. Chao, Secretary of Labor, - Consolidation of DOL Communication Services, July 20, 2004
- Office of Management and Budget Memorandum for the Heads of Executive Departments and Agencies – Policies for Federal Agency Public Websites, December 17, 2004
- Memorandum for Agency Heads from Patrick Pizzella, Assistant Secretary for Administration and Management, Chief Information Officer and Lisa Kruska, Assistant Secretary for Public Affairs, - Web-Related Acquisitions, July 29, 2005
- Secretary's Order 2-2005 - Delegation of Authority and Assignment of Responsibility for DOL Enterprise Communications Initiative, September 30, 2005 (Replaced Secretary's Order 2-2003, Management of U.S. Department of Labor Web Sites)

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APPENDIX C

ACRONYMS AND ABBREVIATIONS

ASPA	Assistant Secretary for Public Affairs
BLS	Bureau of Labor Statistics
BOC	Business Operations Center
DOL	U.S. Department of Labor
DOLAR\$	Department of Labor Accounting and Related Systems
ECI	Enterprise Communications Initiative
EPS	e-Procurement System
ESA	Employment Standards Administration
ETA	Employment and Training Administration
FQDN	Fully Qualified Domain Name
IDCF	Internet Data Collection Facility
IMG	Internet Management Group
ITC	Information Technology Center
MSHA	Mine Safety and Health Administration
OASAM	Office of Assistant Secretary for Administration and Management
OCFO	Office of the Chief Financial Officer
ODEP	Office of Disability Employment Policy
OIG	Office of Inspector General
OPA	Office of Public Affairs
OPS	Office of Procurement Services
OSHA	Occupational Safety and Health Administration

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AGENCY RESPONSE TO DRAFT REPORT

U.S. Department of Labor

Office of Public Affairs
Washington, D.C. 20210



September 29, 2006

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

FROM: JIM SCHAEFER *J.S.*
Deputy Assistant Secretary
Office of Public Affairs

SUBJECT: Audit of Spending and Management Control of the
Department of Labor Internet Websites
Report No. 03-06-007-01-001

We reviewed the draft report on the subject audit and agree with the findings and recommendations.

We are not providing specific corrective action on the recommendations at this time because it will require involvement of other agencies.