



Office of the District of Columbia Auditor

For Immediate Release
June 25, 2013

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Office of the District of Columbia Auditor Releases report on District of Columbia Agencies' Compliance with Fiscal Year 2012 Small Business Enterprise Expenditure Goals

Today, the Office of the District of Columbia Auditor (ODCA) released a report on District of Columbia Agencies' compliance with small business enterprise (SBE) expenditure goals for Fiscal Year (FY) 2012 (October 1, 2011 through September 30, 2012).

The Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, (the Act) states that "it shall be the goal and responsibility of the Department [of Small and Local Business Development (DSLBD)] to stimulate and foster the economic growth and development of businesses based in and serving the District of Columbia. The Act requires each District agency to contract 50% of the dollar volume of its goods and services to SBEs each fiscal year. Additionally, it requires agencies to submit quarterly SBE expenditure reports to DSLBD and ODCA.

In conducting this examination, we reviewed 80 agencies, offices or programs. For each agency, we reviewed appropriated budgets, expendable budgets, and reported SBE goals. We also verified vendors in DSLBD's CBE Online System, reviewed DSLBD's QuickBase data tracking system, and interviewed key staff from DSLBD and several District agency liaisons responsible for SBE compliance reporting.

Of the 80 agencies, 48 agencies met or exceeded their FY 2012 SBE expenditure goals, 29 agencies did not meet their FY 2012 SBE expenditure goals, and 3 agencies could not be assessed because they do not report expenditures through the District's System of Accounting and Reporting (SOAR) and did not submit the required quarterly expenditure reports for FY 2012.

We found that 80 agencies spent \$132,761,963 on SBEs during FY 2012. The 80 agencies we assessed reached 20% of the total overall FY 2012 SBE expenditure goal. Of the 80 agencies, 48 met or exceeded their FY 2012 expenditure goal, spending \$65,718,850.

Although many agencies reached their SBE expenditure goal and made a significant amount of expenditures with SBEs in the 4th quarter of FY 2012, many agencies did not reach their SBE goal. In total, the District of Columbia fell over \$528 million short of the overall SBE expenditure goal of \$661,100,219. As a result, small businesses were deprived of the economic growth and development of business that the Act was designed to provide.

In addition, we remain concerned that problems persist in DSLBD's goal-setting process and the fact that some agencies continue to submit accurate SBE expenditure data. Due to the significant economic benefits to the District resulting from District Agency's compliance with the SBE expenditure goals, the Auditor provided six recommendations that address the issues of agencies submitting excessive amounts and DSLBD making significant changes to expenditure goals, agencies not recording and submitting their data, agencies submitting inaccurate expenditures, and agencies not submitting procurement plans.

“DSLBD has initiated significant improvements to the procedures used to establish District agency SBE goals and monitor agency compliance with SBE reporting requirements and goal attainment,” said Yolanda Branche, District of Columbia Auditor. “We will continue to monitor DSLBD's efforts to ensure realistic agency SBE expenditure goals, to establish a reasonable deadline for changes to SBE expenditure goals and to address the issue of inaccurate agency SBE expenditure reports.”

[Click here](#) to view the report in its entirety. Visit dcauditor.org or call 202-727-3600 for more information about this report or the Office of the District of Columbia Auditor.

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