




United States Department of the Interior

Office of Inspector General
Western Region
Federal Building
2800 Cottage Way, Suite E-2712
Sacramento, California 95825

Report No. P-VS-BIA-0008-2006
August 3, 2006

Memorandum

To: Assistant Secretary for Policy, Management and Budget
(Attention: Associate Director for Finance, Policy and Operations)
Assistant Secretary for Indian Affairs

From: Michael P. Colombo 
Regional Audit Manager

Subject: Verification Review of Four Recommendations Referred for Implementation
Tracking from our September 2003 Audit Report *Bureau of Indian Affairs School
Construction Planning and Design Process* (No. 2003-I-0070)

The Office of Inspector General (OIG) has completed a verification review of four recommendations presented in the subject report. The objective of the review was to determine whether the recommendations were implemented as reported to the Office of Financial Management, Office of Policy, Management and Budget.

Background

Our September 2003 audit report *Bureau of Indian Affairs School Construction Planning and Design Process* (No. 2003-I-0070) made six recommendations to the Bureau of Indian Affairs (BIA) to correct deficiencies in its student enrollment projection process. Based on BIA's response to the draft report and subsequent documentation provided in its March 22, 2004 memorandum, we considered Recommendations 5 and 6 resolved and implemented. We considered Recommendations 1 through 4 as resolved but not implemented and referred them to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

The Focus Leader for Management Control and Audit Follow-up informed our office in memorandums dated August 2, 2004, and October 4, 2004, that the actions taken by BIA were sufficient to consider Recommendations 1 through 4 implemented.

Scope and Methodology

The scope of this review was limited to determining whether BIA took action to implement the recommendations. To accomplish our objective, we reviewed the supporting documentation provided by BIA officials relating to Recommendations 1 through 4 in the report.

We did not perform any site visits or conduct any detailed audit fieldwork to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this review was not conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States.

Results of Review

Our current review found that BIA implemented Recommendations 1 through 4. The status of the recommendations is summarized in the Appendix.

Recommendation 1: “Where legally and economically feasible, recalculate the existing enrollment projections for all schools in the planning and design phase using the October 2002 interim guidelines and incorporate the results into project designs.”

In its May 27, 2004 memorandum to the OIG, BIA stated that it had taken actions to implement Recommendation 1. To address this recommendation, BIA recalculated enrollment projections for schools it deemed to be economically feasible and incorporated the results into project designs. The recalculations resulted in decreased projections for seven schools. Actions taken by BIA are sufficient for us to consider Recommendation 1 implemented.

Recommendations 2, 3, and 4:

- **Recommendation 2: “Assign responsibility to OIEP [Office of Indian Education Programs] or OFMC [Office of Facilities Maintenance and Construction] or another appropriate office for the formal approval of all enrollment projections.”**
- **Recommendation 3: “Implement procedures requiring BIA personnel to obtain and verify the data and methodology that is used in enrollment projection calculations and to document the results of the review.”**
- **Recommendation 4: “Require justification, verified supporting documentation, and approval by the appropriate official for any exception to the enrollment projection guidelines.”**

In its October 4, 2004 memorandum to the Focus Leader for Management Control and Audit Follow-up, BIA stated that it had taken actions to implement Recommendations 2, 3, and 4. Our review of BIA’s revised enrollment projection policy showed that BIA (1) assigned responsibility for approving enrollment projections and exceptions to the Director of OIEP and (2) implemented procedures to ensure schools use a consistent methodology and properly documented enrollment projections. For example, the revised policy requires the use of a regression analysis (also called a “sum of the least squared analysis”) to project enrollment, using the past 10 years of certified Indian School Equalization Program counts for each school. Actions taken by BIA are sufficient for us to consider Recommendations 2, 3, and 4 implemented.

Conclusion

During an exit conference on May 31, 2006, we informed a BIA official that we were reporting Recommendations 1 through 4 in the subject audit report as resolved and implemented. Because we consider these recommendations closed, no response to this report is necessary.

If you have any questions about this report, please contact me at (916) 978-5653.

cc: Focus Leader for Management Control and Audit Follow-up, Office of Financial
Management, Office of the Assistant Secretary for Policy, Management and Budget
Audit Liaison Officer, Department of the Interior
Audit Liaison Officer, Assistant Secretary for Indian Affairs and Bureau of Indian
Affairs Director, Office of Audit and Evaluation, Bureau of Indian Affairs

STATUS OF PRIOR AUDIT REPORT RECOMMENDATIONS

<u>Recommendation</u>	<u>Status</u>	<u>Action Required</u>
1	Resolved and Implemented	No further action required.
2	Resolved and Implemented	No further action required.
3	Resolved and Implemented	No further action required.
4	Resolved and Implemented	No further action required.