

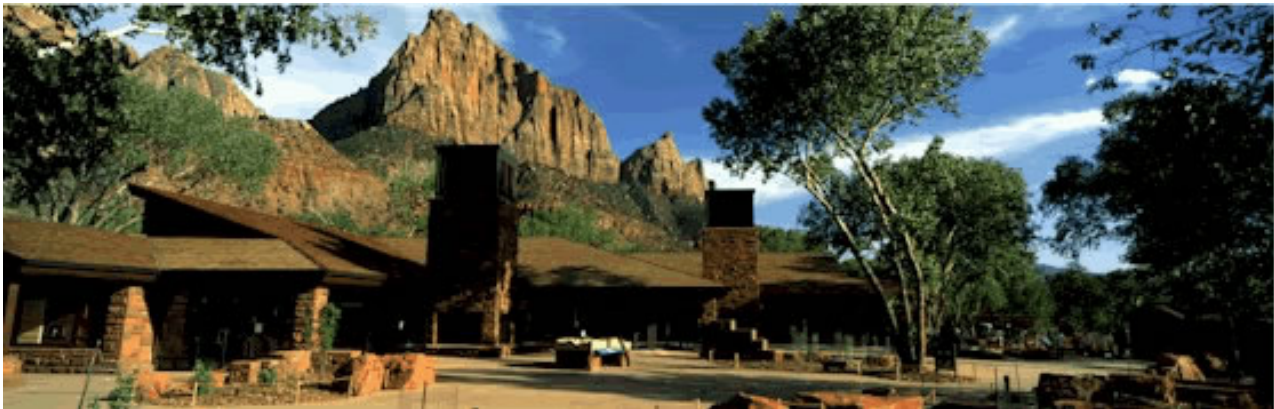


U.S. DEPARTMENT OF THE INTERIOR OFFICE OF INSPECTOR GENERAL

AUDIT REPORT



THE NATIONAL PARK SERVICE'S RECORDING OF FACILITY MAINTENANCE EXPENDITURES





United States Department of the Interior

Office of Inspector General

Central Region
134 Union Blvd., Suite 510
Lakewood, Colorado 80228

January 26, 2005

Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: Anne L. Richards *Anne L. Richards*
Regional Audit Manager

Subject: Final Audit Report, The National Park Service's Recording of Facility Maintenance Expenditures (Report No. C-IN-NPS-0013-2004)

The attached report presents the results of our audit of the National Park Service's (NPS) recording of facility maintenance expenditures. The objective of the audit was to determine whether the NPS accurately reported its facility maintenance expenditures. We concluded that NPS was not accurately reporting these expenditures and that it needs to make significant changes in how employees account for time spent on facility maintenance. The actions recommended in this report are designed to assist NPS in accurately reporting its facility operations and facility maintenance costs.

Based on the November 17, 2004 response to the draft report, we consider all seven recommendations resolved but not implemented. Accordingly, we are referring the report to the Department's Focus Leader for Management Accountability and Audit Follow-up for tracking of implementation.

Since the recommendations in the report are resolved, no further response to the Office of Inspector General is required. We would, however, appreciate being informed of the progress in implementing the recommendations.

The legislation, as amended, creating the Office of Inspector General requires that we report to the U.S. Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions regarding this report, please do not hesitate to call me at (303) 236-9243.

AUDIT OF THE NATIONAL PARK SERVICE'S RECORDING OF FACILITY MAINTENANCE EXPENDITURES

EXECUTIVE SUMMARY

WHY WE DID THIS AUDIT

In 1998, the Department of the Interior's Planning, Design, and Construction Council reported that it was difficult, if not impossible, to track and account for facility maintenance expenditures when facility operations and facility maintenance funds were contained in one account. Accordingly, in its FY 2000 budget request, the National Park Service (NPS) separated facility operations and facility maintenance. The objective of the audit was to determine if the NPS has been accurately reporting its facility maintenance costs since establishing the separate budget categories.

WHAT WE FOUND

The National Park Service (NPS) did not accurately capture or report its facility maintenance costs. Consequently, NPS does not know how much was or is being spent on facility maintenance activities. For fiscal years (FYs) 2001, 2002, and 2003, NPS requested and received \$341 million more than it recorded as spent on facility maintenance activities.

Prior to FY 2000, NPS facility operations and maintenance funds were contained in one account and the funds were used interchangeably. For FY 2000, NPS began requesting separate funding for facility operations and facility maintenance and subsequently provided general guidance related to the need to account for the funds separately. However, NPS did not sufficiently emphasize the requirement, and the individual parks generally continued to use the operations and maintenance funds interchangeably. Specifically, we found that park officials were generally ill informed about the need to account for facility maintenance separately, how facility maintenance activities were defined, and the processes needed to accurately capture the costs.

We also found that while NPS had the information that indicated facility maintenance costs were not being accurately recorded NPS took no discernable action to remedy the situation.

RECOMMENDATIONS

We recommend the Assistant Secretary for Fish and Wildlife and Parks ensure that the Director of the National Park Service:

- Require parks to comply with the policy developed by the NPS Comptroller.
- Disseminate the definitions of facility operations and facility maintenance to the park level.
- Require parks to provide training to employees on how to classify work efforts as either facility operations or facility maintenance.

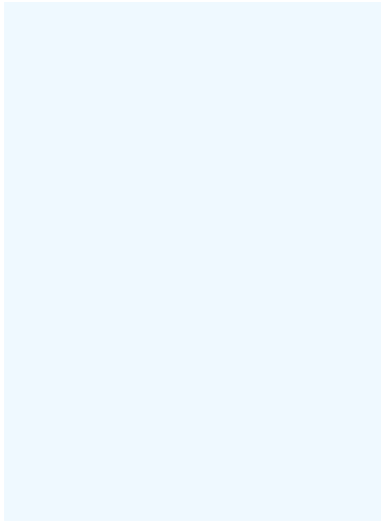
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- Require parks to use time input documents to capture facility maintenance efforts accurately in the time accounting system.
 - Establish a monitoring process to ensure that facility maintenance expenditures are being accurately captured and reported.
 - Hold park managers accountable for ensuring that facility maintenance expenditures are reported accurately.
 - Realign the budget request to more closely reflect the actual facility operations and facility maintenance obligations within the facility operations and maintenance sub-activity based on actual expenditures.

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INTRODUCTION

ILLUSTRATING THE DIFFERENCE BETWEEN OPERATIONS AND MAINTENANCE



OPERATIONS

Roads operations include snowplowing at parks which experience significant snowfall, in some places in excess of 400 inches.



MAINTENANCE

Roads maintenance includes activities such as grading roads, asphalt overlays, patching potholes, and filling cracks.

In 1998, the Department of the Interior's Planning, Design, and Construction Council (Interior Council) issued its report "Facilities Maintenance Assessment and Recommendations" and the National Research Council (NRC) issued its report "Stewardship of Federal Facilities – A Proactive Strategy for Managing the Nation's Public Assets". Both studies made recommendations to improve the facility maintenance process.

The Interior Council and the NRC found that it is difficult, if not impossible, to track and account for maintenance expenditures when facility operations and maintenance funds are contained in one account. The Interior Council and the NRC also concluded facility maintenance funds that are not appropriately segregated from operational funds allowed managers to defer maintenance in order to augment operational activities.

In that regard, the Department directed the NPS to request separate funding for facility operations and facility maintenance starting in its FY 2000 Budget Justification. In its budget justification, NPS defined facility operations as those activities relating to the normal performance of the functions for which the facility or equipment is used. Facility maintenance was defined as the upkeep of facilities, structures, and equipment necessary to realize the originally anticipated useful life of a fixed asset.

In order to prepare its FY 2000 budget, NPS surveyed selected park units¹ to estimate its facility operations and facility maintenance budget requirements. Based on this survey, NPS decided to split the funding 50/50 between facility operations and facility maintenance within the operations and maintenance sub-activity. After the first year, NPS intended to use data from the accounting system to adjust the budget requests for each area. To date, NPS has not adjusted the 50/50 split to reflect actual expenditures.

NPS' official accounting records show that between FYs 2001 and 2003 NPS requested and received \$341 million more than it recorded spending for facility maintenance activities. OMB noted this discrepancy and expressed concern that NPS might be using facility maintenance money for other purposes.

¹ Appendix 1 is a list of the types of areas and facilities under NPS' jurisdiction. In this report we refer to these as park units.

SCOPE AND METHODOLOGY

Based on our analysis of NPS' facility maintenance and facility operations expenditures for FY 2003, we selected park units for site visits. At those locations, we reviewed the processes and procedures used to record and report facility maintenance costs. To accomplish this, we reviewed documents used to request and record work efforts, including:

- Work orders
- Employee time sheets
- Maintenance management reports
- Accounting and payroll records
- Budget documents

We limited our testing to labor costs which comprised more than 75 percent of total facility maintenance and operation expenditures at the park units we visited. We also performed fieldwork at the NPS Intermountain Region, the NPS headquarters, the Department, and the Office of Management and Budget (OMB).

Our audit included an examination of prior audit reports, Government Performance and Results Act goals, OMB initiatives, and NPS budget and accounting processes. We evaluated the various best practices recommendations made by the National Research Council and the Interior Council. We did not find prior audit coverage related to our specific objective. Also, there were no performance goals that were specifically related to our objective.

We conducted our audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States. (See Appendix 2 for more details on scope and methodology and a list of sites visited.)

RESULTS OF AUDIT

We concluded that NPS did not accurately report its facility maintenance expenditures. There was little or no relationship between the facility maintenance work being done and labor costs being charged to facility maintenance. Consequently, it was not possible to determine how much was, or currently is, spent on facility maintenance efforts. NPS reported that it spent \$341 million less on facility maintenance than was provided for FYs 2001 through 2003.

Fiscal Years 2001 – 2003

	Enacted	Expended	Difference
Facility Operations	\$ 556,496,000	\$ 824,505,000	(\$268,009,000)
Facility Maintenance	\$ 689,324,000	\$ 348,401,000	\$340,923,000
Total	\$1,245,820,000	\$1,172,906,000	\$ 72,914,000

Our initial analysis showed wide disparities in the ratio between facility operations and facility maintenance expenditures reported by the various park units². For example,

- 125 park units reported total facility operations expenditures of \$85,100,201 but reported no facility maintenance expenditures.
- Conversely, 21 park units reported total facility maintenance expenditures of \$10,310,383 but reported no facility operations expenditures.

The failure to accurately capture facility maintenance expenditures has resulted in a perception that funds intended for maintenance were used for other purposes. However, we believe the problem is one of inaccurate data collection or recording rather than non-performance of maintenance.

We identified four specific areas where NPS needs to make significant improvements so it can accurately report facility maintenance efforts. These areas are:

² See Appendix 3 for a listing of the percentages of facility operations and maintenance funds reported as facility maintenance by park unit for FY 2003 and Appendix 4 for the range of total facility operations and maintenance expenditures for FY 2003.

- Accounting for time
- Providing guidance
- Monitoring facility maintenance reporting
- Realigning the budget

TIME ACCOUNTING

NPS did not accurately capture and report the time employees spent on facility maintenance. This is important because, at the park units we visited, labor costs made up more than 75 percent of the total facility maintenance costs.

The principle reason for the inaccuracy is the long-standing practice at the park units of assigning a particular facility operations or facility maintenance accounting code to each specific function within the park.



Road repairs at Glacier National Park.

NPS has close to 100 accounting codes, called primary work elements (PWEs), to account for its employees' facility operations and facility maintenance work efforts. For example, there are accounting codes for:

- Facility Operations – buildings
- Facility Operations – trails
- Facility Maintenance – buildings
- Facility Maintenance – trails

Park units have generally selected and assigned a single PWE for use by an entire function. Every employee within that function charges all of their hours to that PWE for the entire fiscal year no matter what tasks they actually accomplish. This practice of pre-assigning PWEs has resulted in inaccurate data. In a June 20, 2003 memorandum, the NPS Comptroller advised against using this practice. This advice was reiterated by the NPS Comptroller in an August 15, 2003 memorandum.

Despite the memoranda, data remained inaccurate in FY 2004. We examined work orders, work sheets, or other forms used to assign and document work. We found little or no correlation to the data reported in the accounting system and the work being performed. For example:



MAINTENANCE

A marine mechanic repairs a vessel.

- As of April 2004, one park unit had charged 100 percent of its FY 2004 facility operations and maintenance labor efforts to operations accounting codes. Conversely, in FY 2003 the same park unit had charged all of its facility operations and maintenance labor efforts to maintenance accounting codes. Our tests of current activity showed that maintenance is being performed and should be captured against maintenance accounting codes. We concluded the park unit's decision to charge all operations and maintenance efforts to one category of accounting codes was arbitrary.
- At another park unit, a maintenance crew of three completed a specific maintenance task. Each employee recorded the same amount of time for performing this task. Two of the three employees recorded their time against maintenance accounting codes, the remaining employee recorded his time against an operations accounting code. This happened because these accounting codes were preassigned to each employee on an annual basis.

We found similar practices at eight of the nine park units we visited or contacted, indicating that data reported in NPS' accounting system was not based on the actual work performed.

Some park units can accurately capture facility maintenance work effort using the Facility Management Software System (FMSS). However, FMSS does not interface with the existing payroll system and is not yet implemented at all of the park units. NPS can accurately capture facility maintenance work effort without waiting for FMSS to be fully implemented or interfaced. This can be accomplished through the use of time input documents, which capture each work effort that an employee performs.

GUIDANCE

NPS has not adequately emphasized the need to accurately record facility maintenance efforts. We found that park officials were generally ill informed about the need to separately account for facility operations and maintenance. For example,

- A manager at one park asked why it was important to distinguish facility operations and maintenance and who used the information.

- The managers at two additional park units stated that they were not aware of the need to account for facility operations and maintenance separately.



OPERATIONS

A maintenance worker performs roadside vegetation removal.

Furthermore, NPS has not adequately communicated the difference between facility operations and facility maintenance work efforts. At the park level, we found that there was some confusion as to which work efforts should be defined as facility operations and which efforts should be facility maintenance. Park officials generally expressed frustration with the lack of clear guidance concerning these definitions.

It is critical that park officials understand and apply the definitions to achieve accurate facility maintenance reporting. The definitions provide the link to the PWE necessary to accurately capture the work effort in the accounting system.

Accordingly, in order to improve park officials' understanding of the need for and the ability to separately account for facility operations and maintenance, NPS needs to:

- Reinforce its policy regarding separately accounting for facility operations and maintenance.
- Disseminate the definitions and provide training to employees on how these definitions relate to individual tasks at the parks.

However, reinforcing policy and providing training alone will not solve the problem.

MONITORING

The facility maintenance expenditures reported over the past several years clearly show that there was a huge disconnect between what was asked for and what was reported as being spent. Furthermore, the facility maintenance expenditures reported on a park-unit by park-unit basis were illogical. NPS had this information but took no effective action. If NPS wants to ensure accurate reporting, it must monitor what is happening at the park units. Further, NPS must take appropriate action if a park unit fails to properly account for its facility maintenance efforts.

REALIGNING THE BUDGET

Prior to FY 2000, there was no distinction in NPS' budget requests between facility operations and facility maintenance funds. In its FY 2000 budget request, NPS split facility operations and facility maintenance into two areas. The amounts requested for each area were estimated based on limited information. NPS intended to adjust

subsequent budget requests once actual costs became available. The NPS has not yet realigned its budget request for facility maintenance funds based on data from its accounting system. However, at this point, any adjustment to the budget request would be premature due to NPS' inaccurate accounting for facility maintenance efforts. We believe that NPS must have one fiscal year of accurate information about its facility maintenance obligations before attempting to realign the budget.

RECOMMENDATIONS

We recommend the Assistant Secretary for Fish and Wildlife and Parks require that the Director, National Park Service:

1. Direct the park units to comply with the policy developed by the Comptroller to accurately account for individual work efforts.
2. Disseminate the definitions of facility operations and facility maintenance in the NPS Budget Justifications to all NPS facility maintenance divisions and related financial program staff to facilitate greater understanding of the terms and how they should be used.
3. Require park units to use time input documents to capture facility maintenance efforts accurately in the time accounting system. Employees' time must be reported against accounting codes that accurately reflect the work effort expended.
4. Provide training to employees on how to classify work efforts as either facility operations or facility maintenance. Also, provide training to employees on how to select the appropriate accounting code for their time input documents based on these classifications.
5. Establish a monitoring process to ensure that facility maintenance expenditures are being accurately captured and reported. For example, require the regions to conduct periodic comparisons of park facility maintenance expenditures against park facility maintenance work efforts and against budget planning documents and request explanations for discrepancies.
6. Hold park managers accountable for ensuring the accuracy of their reporting including taking action against park managers who fail to properly account for facility maintenance expenditures.

7. Realign the budget request to more closely reflect the actual facility operations and facility maintenance obligations within the facility operations and maintenance sub-activity. This realignment should not be made until facility operations and facility maintenance obligations have been accurately recorded in the accounting system for at least one fiscal year.

**NPS RESPONSE AND
OIG REPLY**

In the November 17, 2004 response to the draft report (Appendix 5), the Comptroller, National Park Service, concurred with the findings and recommendations. NPS stated that it would take immediate steps to implement Recommendations 1, 2, 3, 4, 5, and 6. NPS plans to implement Recommendation 7 once all other recommendations have been completed and if the expenditure reporting shows significant improvement in accuracy. Then, NPS will propose to the Department of the Interior, the Office of Management and Budget, and the Appropriations Committees of the Congress that the FY 2007 NPS Budget Request in February 2006 be aligned to reflect the more accurate maintenance financial information (Appendix 5). Appendix 6 shows the status of the audit recommendations.

CLASSIFICATIONS OF PARK UNITS

In addition to parks, the National Park Service has other areas and facilities under its jurisdiction. A list of these types of areas and facilities with their acronyms follows. For this report we have referred to all these areas and facilities as park units.

Battlefield	BTLFD
Memorial	MEM
National Battlefield	NB
National Battlefield Park	NBP
National Historic Park	NHP
National Historic Site	NHS
National Historic Trail	NHT
National Lakeshore	NL
National Monument	NM
National Memorial	NMEM
National Military Park	NMP
National Park	NP
National Preserve	NPRES
National River	NR
National Recreation Area	NRA
National River & Recreation Area	NR&RA or NRRA
National Seashore	NS
National Scenic Riverway	NSR
National Scenic Trail	NST
Parkway	PKWY
Preserve	PRES
Scenic & Recreational River	SRR
Wild & Scenic River	WSR

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SCOPE AND METHODOLOGY

Our audit was conducted at the Office of Management and Budget and the National Park Service (NPS) budget and accounting offices, Intermountain Region, and the following park units:

- Gateway National Recreation Area (NY, NJ)
- Yosemite National Park (CA)
- Rocky Mountain National Park, (CO)
- Indiana Dunes National Lakeshore (IN)
- The Great Smoky Mountains National Park (TN and NC)
- Santa Monica Mountains National Recreation Area (CA)
- Sleeping Bear Dunes National Lakeshore (MI)

We also contacted NPS' Northeast, Southeast, and Midwest Regional offices, as well as Grand Canyon National Park and Bandelier National Monument. We reviewed the processes and procedures used to record and report facility maintenance costs. We reviewed work orders, if available; other documents used to request work; time sheets; Facility Management Software System (FMSS) documents; and other documents related to the recording and reporting of facility maintenance costs. We also analyzed facility operations and facility maintenance expenditures, which were downloaded from the official accounting records. Our analysis identified the percentage of facility maintenance reported by each park under the facility operations and maintenance sub-activity. We stratified the park units, and selected park units based on the percent of facility maintenance reported at the low, middle, and high ranges of the stratification.

Our scope included park units selected based on their FY 2003 reported facility operations and facility maintenance expenditures. Our actual tests of transactions in the park units were selected from the most recent accounting data available in FY 2004.

We conducted our audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures as we considered necessary under the circumstances.

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**PERCENT OF FACILITY OPERATIONS AND FACILITY
MAINTENANCE FUNDS REPORTED AS FACILITY MAINTENANCE
EXPENDITURES BY PARK UNIT
FISCAL YEAR 2003**

PARK UNIT	%
DENALI NP	0
GATES OF THE ARCTIC NP AND PRES	0
KATMAI NP AND PRES.	0
LAKE CLARK NP AND PRES.	0
SITKA NP	0
WRANGELL - ST ELIAS NP AND PRES.	0
YUKON - CHARLEY RIVERS NP AND PRES	0
BOOKER T WASHINGTON NM	0
CASTLE CLINTON NM	0
EDGAR ALLAN POE NHS	0
EDISON NHS	0
EISENHOWER NHS	0
ELEANOR ROOSEVELT NHS	0
FEDERAL HALL NMEM	0
FIRE ISLAND NS	0
FREDERICK LAW OLMTED NHS	0
GATE-JAMAICA BAY DISTRICT	0
GATE-SANDY HOOK UNIT	0
GATE-STATEN ISLAND UNIT	0
GAULEY RIVER NRA	0
GENERAL GRANT NMEM	0
GEORGE WASHINGTON BIRTHPLACE NM	0
GETTYSBURG NMP	0
GLORIA DEI CHURCH NHS	0
HAMILTON GRANGE NMEM	0
HOME OF FRANKLIN D ROOSEVELT NHS	0
HOPEWELL FURNACE NHS	0
JOHN F KENNEDY NHS	0
LONGFELLOW NHS	0
MAGGIE L WALKER NHS	0
MINUTE MAN NHP	0
MORRISTOWN NHP	0
NEW BEDFORD WHALING NHP	0
ROGER WILLIAMS NMEM	0

PARK UNIT	%
SAGAMORE HILL NHS	0
SAINT CROIX ISLAND INTL HS	0
SAINT PAUL'S CHURCH	0
SALEM MARITIME NHS	0
SARATOGA NHP	0
SAUGUS IRON WORKS NHS	0
THADDEUS KOSCIUSZKO NMEM	0
THEO ROOSEVELT BIRTHPLACE NHS	0
THOMAS STONE NHS	0
VALLEY FORGE NHP	0
VANDERBILT MANSION NHS	0
WOMEN'S RIGHTS NHP	0
ARKANSAS POST NMEM	0
ANACOSTIA PARK	0
ANTIETAM NB	0
ARLINGTON HSE/ THE ROBT E LEE MEM	0
CHESAPEAKE AND OHIO CANAL NHP	0
CLARA BARTON NHS	0
FORD'S THEATRE NHS	0
GLEN ECHO NP	0
GREAT FALLS PARK VIRGINIA	0
HARPERS FERRY NHP	0
MANASSAS NBP	0
MONOCACY NB	0
NATIONAL CAPITAL PARKS CENTRAL	0
ROCK CREEK PARK	0
AZTEC RUINS NM	0
CEDAR BREAKS NM	0
EL MALPAIS NM	0
EL MORRO NM	0
FORT BOWIE NHS	0
FOSSIL BUTTE NM	0
HUBBELL TRADING POST NHS	0
JOHN D ROCKEFELLER JR MEM PKWY	0

**PERCENT OF FACILITY OPERATIONS AND FACILITY
MAINTENANCE FUNDS REPORTED AS FACILITY MAINTENANCE
EXPENDITURES BY PARK UNIT
FISCAL YEAR 2003**

PARK UNIT	%
MONTEZUMA CASTLE NM	0
NATURAL BRIDGES NM	0
PECOS NHP	0
RAINBOW BRIDGE NM	0
RIO GRANDE WSR	0
SAND CREEK MASSACRE NHS	0
WASHITA BATTLEFIELD NHS	0
CHARLES PINCKNEY NHS	0
FORT RALEIGH NHS	0
MOORES CREEK NB	0
OBED WSR	0
TUSKEGEE AIRMEN NHS	0
WRIGHT BROTHERS NMEM	0
BUCK ISLAND REEF NM	0
AMERICAN MEMORIAL NP	0
CABRILLO NM	0
CRATER LAKE NP	0
CRATERS OF THE MOON NM	0
DEATH VALLEY NP	0
EUGENE O'NEILL NHS	0
FORT POINT NHS	0
GOLDEN GATE NRA	0
GREAT BASIN NP	0
HAGERMAN FOSSIL BEDS NM	0
JOHN DAY FOSSIL BEDS NM	0
JOHN MUIR NHS	0
JOSHUA TREE NP	0
KALAUPAPA NHP	0
KALOKO-HONOKOHAU NHP	0
KLONDIKE GOLD RUSH NHP - SEATTLE UNIT	0
LAKE ROOSEVELT NRA	0
LAVA BEDS NM	0
MANZANAR NHS	0
MUIR WOODS NM	0
NEZ PERCE NHP	0
NP OF AMERICAN SAMOA	0
OREGON CAVES NM	0
PARASHANT NM	0

PARK UNIT	%
PRESIDIO OF SAN FRANCISCO	0
PU'UHONUA O HONAUNAU NP	0
PUUKOHOLA HEIAU NHS	0
SAN JUAN ISLAND NHP	0
U S S ARIZONA MEMORIAL	0
WAR IN THE PACIFIC NHP	0
WHISKEY TOWN NRA	0
RICHMOND NBP	1
UPPER DELAWARE SRR	1
FREDERICK DOUGLASS HOME	1
CHAMIZAL NATIONAL MEMORIAL	1
LITTLE BIGHORN BATTLEFIELD NM	1
SALINAS PUEBLO MISSIONS NM	1
BOSTON AFRICAN-AMERICAN NHS	2
STATUE OF LIBERTY NM	2
DEVILS TOWER NM	2
SAN ANTONIO MISSIONS NHP	2
WHITMAN MISSION NHS	2
BIG THICKET N PRES	3
BISCAYNE NP	3
HAWAII VOLCANOES NP	3
LASSEN VOLCANIC NP	3
SAINT-GAUDENS NHS	4
BRYCE CANYON NP	4
CHACO CULTURE NHP	4
CORONADO NMEM	4
SAN FRANCISCO MARITIME NHP	4
JAMES A GARFIELD NHS	5
CANYON DE CHELLY NM	5
BUFFALO NR	6
AMISTAD NRA	6
LITTLE RIVER CANYON NPRES	6
TUSKEGEE INSTITUTE NHS	6
VIRGIN ISLANDS NP	6
JOHNSTOWN FLOOD NMEM	7
FORT LARNED NHS	7
CARLSBAD CAVERNS NP	7

**PERCENT OF FACILITY OPERATIONS AND FACILITY
MAINTENANCE FUNDS REPORTED AS FACILITY MAINTENANCE
EXPENDITURES BY PARK UNIT
FISCAL YEAR 2003**

PARK UNIT	%
APPOMATTOX COURT HOUSE NHP	8
DAYTON AVIATION HERITAGE NHP	8
HORSESHOE BEND NMP	8
AGATE FOSSIL BEDS NM	9
PEA RIDGE NMP	9
BENT'S OLD FORT NHS	9
CANYONLAND NP	9
DINOSAUR NM	9
ORGAN PIPE CACTUS NM	9
ZION NP	9
KENNESAW MOUNTAIN NBP	9
CANAVERAL NS	9
GRAND PORTAGE NM	10
SCOTTS BLUFF NM	10
DRY TORTUGAS NP	10
SAINT CROIX NSR	11
APOSTLE ISLANDS NL	12
HARRY S TRUMAN NHS	12
PRICE WILLIAM FOREST PARK	12
HOPEWELL CULTURE NHP	13
JEFFERSON NATL EXPANSION MEM NHS	13
CHATTAHOOCHEE RIVER NRA	13
YOSEMITE NP	13
CUYAHOGA VALLEY NRA	14
GEORGE WASHINGTON CARVER NM	14
NICODEMUS NHS	14
ULYSSES S GRANT NHS	14
ROCKYMOUNTAIN NP	14
KNIFE RIVER INDIAN VILLAGE NHS	15
TALLGRASS PRAIRIE NPRES	15
LAKE MEAD NRA	15
THEODORE ROOSEVELT NP	16
CUMBERLAND ISLAND NS	16
SAN JUAN NHS	16

PARK UNIT	%
BIG CYPRESS NPRES	16
BLUE RIDGE PKWY	16
CHANNEL ISLANDS	16
MOUNT RAINIER NP	16
MARTIN VAN BUREN NHS	17
LEWIS & CLARK NHT	17
FLORISSANT FOSSIL BEDS NM	18
PETROGLYPH NM	18
SEQUOIA AND KINGS CANYON NP	18
ARCHES NP	19
CAPITOL REEF NP	19
CHIRICAHUA NM	19
DE SOTO NMEM	20
KEWEENAW NHP	21
OZARK NSR	21
MESA VERDE NP	21
CHRISTIANSTED NHS	21
HOMESTEAD NM OF AMERICA	22
WILLIAM HOWARD TAFT NHS	22
FORT DAVIS NHS	22
PETERSBURG NB	23
CONGAREE SWAMP NM	23
EVERGLADES NP	24
NATCHEZ TRACE PKWY	24
NINETY SIX NHS	24
EFFIGY MOUNDS NM	25
BIG BEND NP	25
FORT UNION NM	25
LAKE MEREDITH NRA	25
JIMMY CARTER NHS	25
RUSSELL CAVE NM	25
VICKSBURG NMP	25
OLYMPIC NP	25
MINUTEMAN MISSILE NHS	26
VOYAGEURS NP	26
KLONDIKE GOLDRUSH NHP	27
BROWN V BOARD OF EDUCATION NHS	27

**PERCENT OF FACILITY OPERATIONS AND FACILITY
MAINTENANCE FUNDS REPORTED AS FACILITY MAINTENANCE
EXPENDITURES BY PARK UNIT
FISCAL YEAR 2003**

PARK UNIT	%
FORT STANWIX NM	28
FORT UNION TRADING POST NHS	28
LITTLE ROCK CENTRAL HIGH SCHOOL NHS	28
YELLOWSTONE NP	28
CASTILLO DE SAN MARCOS NM	28
FORT CLATSOP NMEM	28
INDEPENDENCE NHP	29
CAPE HATTERAS	29
COWPENS NB	29
GEORGE ROGERS CLARK NHP	30
CHICKASAW NRA	30
KENAI FJORDS NP	32
LOWELL NHP	32
MOJAVE NPRES	32
WUPATKI NM	33
FORT SUMTER NM	33
ANDERSONVILLE NHS	33
BOSTON NHP	34
FREDERICKSBURG & SPOTSYLVANIA BTLFD MEM NMP	34
MARSH-BILLINGS-ROCKEFELLER NHP	34
FORT DONELSON NMP	34
KINGS MOUNTAIN NMP	34
TIMPANOGOS CAVE NM	35
FORT PULASKI NM	35
FORT SMITH NHS	36
GRAND TETON NP	36
CAPE LOOKOUT NS	36
FORT VANCOUVER NHS	36
PERRY'S VICTORY & INTNL PEACE MEM	37
MAMMOTH CAVE NP	37
CANE RIVER CREOLE NHP	38
FORT NECESSITY NB	39
NATIONAL CAPITAL PARKS EAST	39

PARK UNIT	%
BANDELIER NM	40
PALO ALTO BATTLEFIELD NHS	40
ALLEGHENY PORTAGE RAILROAD NHS	41
FRIENDSHIP HILL NHS	41
WOLF TRAP NP FOR THE PERFORMING ARTS	41
GREAT SAND DUNES NM	41
GEORGE WASHINGTON MEM PKWY	42
GULF ISLANDS NS	43
CAPE COD NS	44
FORT LARAMIE NHS	44
TONTO NM	44
ABRAHAM LINCOLN BIRTHPLACE NHS	44
DELAWARE WATER GAP NRA	45
MOUNT RUSHMORE NMEM	45
COLORADO NM	45
LYNDON B. JOHNSON NHP	45
FORT CAROLINE NMEM	45
CASA GRANDE RUINS NM	46
SAGUARO NP	46
HERBERT HOOVER NHS	47
LINCOLN HOME NHS	47
GUADALUPE MOUNTAINS NP	47
GUILFORD COURTHOUSE NMP	47
ASSATEAGUE ISLAND NS	48
ISLE ROYALE NP	48
GLEN CANYON NRA	48
CUMBERLAND GAP NHP	48
NORTH CASCADES NP	48
COLONIAL NHP	49
PINNACLES NM	49
BIGHORN CANYON NRA	50
GRAND CANYON NP	50
FORT FREDERICA NM	50
NEW RIVER GORGE NR	52
INDIANA DUNES NL	52

**PERCENT OF FACILITY OPERATIONS AND FACILITY
MAINTENANCE FUNDS REPORTED AS FACILITY MAINTENANCE
EXPENDITURES BY PARK UNIT
FISCAL YEAR 2003**

PARK UNIT	%
WILSON'S CREEK NB	52
STEAMTOWN NHS	53
HOT SPRINGS NP	53
THE GREAT SMOKY MOUNTAINS NP	53
POINT REYES NS	54
CURECANTI NRA	55
CARL SANDBURG HOME NHS	55
WIND CAVE NP	58
JEAN LAFITTE NHP	59
GLACIER NP	62
PIPE SPRING NM	62
WHITE SANDS NM	62
REDWOOD NP	62
NATIONAL TRAILS SYSTEM, SANTA FE	63
TUMACACORI NHP	63
CHICKAMAUGA AND CHATTANOOGA NMP	63
GRANT-KOHR'S RANCH NHS	66
JEWEL CAVE NM	67
BIG SOUTH FORK NRR	67
FORT MCHENRY NM & HIST SHRINE	68
WESTERN ARCTIC NATIONAL PARKLANDS	69
PADRE ISLAND NS	71
PETRIFIED FOREST NP	72
ACADIA NP	74
SHENANDOAH NP	75
SPRINGFIELD ARMORY NHS	75
BADLANDS NP	76
OCMULGEE NM	78
CATOCTIN MOUNTAIN PARK	79

PARK UNIT	%
FORT SCOTT NHS	81
HAMPTON NHS	83
GLACIER BAY NP AND PRES	84
NATCHEZ NHT	84
HALEAKALA NP	84
STONES RIVER NB	87
PICTURED ROCKS NL	88
PISCATAWAY PARK	89
CAPULIN VOLCANO NM	89
SANTA MONICA MOUNTAINS NRA	90
MARTIN LUTHER KING JR NHS	92
PIPESTONE NM	94
LINCOLN BOYHOOD NMEM	95
ADAMS NHP	97
GOLDEN SPIKE NHS	98
SHILOH NMP	98
WEIR FARM NHS	100
FIRST LADIES NATIONAL HISTORIC SITE	100
ICE AGE NST	100
MISSISSIPPI NR&RA	100
NIOBRARA/MISSOURI NR	100
NORTH COUNTRY NT	100
SLEEPING BEAR DUNES NL	100
BLACK CANYON OF THE GUNNISON NP	100
GILA CLIFF DWELLINGS NM	100
NAVAJO NM	100
NEW ORLEANS JAZZ NHP	100
ANDREW JOHNSON NHS	100
APPALACHIAN NST	100
PACIFIC GREAT BASIN So	100

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**RANGE OF TOTAL FACILITY OPERATIONS
AND FACILITY MAINTENANCE EXPENDITURES
FISCAL YEAR 2003**

PERCENTAGE FACILITY MAINTENANCE REPORTED (RANGE)	No. OF PARK UNITS REPORTING IN RANGE	TOTAL FACILITY OPERATIONS EXPENDITURES	TOTAL FACILITY MAINTENANCE EXPENDITURES	TOTAL FACILITY OPERATIONS AND FACILITY MAINTENANCE EXPENDITURES
0	125	\$85,099,815	\$ 386	\$ 85,100,201
1-20	79	\$82,799,983	\$ 10,306,889	\$ 93,106,872
21-40	60	\$56,700,053	\$ 24,001,393	\$ 80,701,446
41-60	42	\$34,107,873	\$ 32,373,615	\$ 66,481,488
61-80	22	\$ 9,906,116	\$ 20,604,519	\$ 30,510,635
81-99	18	\$ 1,615,988	\$ 23,462,561	\$ 25,078,549
100	21	\$ 0	\$ 10,310,383	\$ 10,310,383
TOTALS	367	\$270,229,828	\$121,059,746	\$391,289,574

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United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.

Washington, D.C. 20240

IN REPLY REFER TO:
F4217(0010)

NOV 17 2004

Mr. Roger LaRouche
Assistant Inspector General for Audits
U.S. Department of the Interior
Office of the Inspector General
1849 C Street, NW, MS 5341
Washington, D.C. 20240

Dear Mr. LaRouche:

I am writing in response to your Audit Report on the National Park Service's Recording of Facility Maintenance Expenditures (Audit No. C-IN-NPS-0013-2004). The National Park Service concurs with the Report's findings and recommendations.

On behalf of the Director, both I and the Associate Director, Park Planning, Facilities & Lands, Sue Masica, will be taking the steps necessary to implement the recommendations. Our offices will prepare a letter within the next 30 days for the Director to the Regional and Associate Directors that will reemphasize the requirement to account for maintenance actions properly in the accounting system through the accurate recording of staff time, contract obligations, and other activities, and explain how the Regional and Associate Directors will be held accountable for its immediate implementation (Recommendations 1, 2, 3, 6). The Budget Division, under James Giammo, will work with the Park Facility Management Division for ensuring that field maintenance staff receive the necessary instructions and materials regarding how to classify their work in the proper categories of facility operations and facility maintenance to be recorded in the finance system (Recommendation 4). The Budget Division, working with Regional budget staff, will also ensure that checks of the accuracy of expenditure reporting are being made throughout the NPS (Recommendation 5). If an assessment by our offices of FY 2005 expenditures shows that significant improvements have been made to the accuracy of the financial recording of maintenance activities, the NPS will propose to the Department of the Interior, the Office of Management and Budget, and the Appropriation Committees of the Congress that the FY 2007 NPS Budget Request in February, 2006 be aligned to reflect the more accurate maintenance financial information (Recommendation 7).

We would like to thank Mr. Mark Bell and the rest of the audit team for the fairness they demonstrated during their work on this Report.

Sincerely,

C. Bruce Sheaffer
Comptroller
National Park Service

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STATUS OF AUDIT REPORT RECOMMENDATIONS

<u>Recommendations</u>	<u>Status</u>	<u>Action Required</u>
1, 2, 3, 4, 5, 6, & 7	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendations will be referred to the Department's Focus Leader for Management Accountability and Audit Follow-up for tracking of implementation.

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PHOTOS COURTESY OF THE NATIONAL PARK SERVICE

COVER

VICKSBURG VISITOR CENTER, NATIONAL MILITARY PARK,
<http://www.nps.gov/vick/visctr/vc.htm>

MABRY MILL, BLUE RIDGE PARKWAY,
<http://www.nps.gov/blri/galry03b.htm>

ZION NATIONAL PARK VISITOR CENTER, UTAH,
http://www.nps.gov/dsc/b_what/b_5_za_zion.htm

GLACIER NATIONAL PARK PHOTO GALLERY

IN ORDER OF APPEARANCE:

GOING-TO-THE-SUN ROAD, PLOWING PHOTOS AND VIDEOS APPROXIMATELY 1 MILE BELOW LOGAN PASS, JUNE 21, 2002,
http://www.nps.gov/glac/gallery/plow2002_621.htm

GOING-TO-THE-SUN ROAD, NEAR BIRD WOMAN FALLS OVERLOOK AND BIG BEND, MAY 3, 2001, <http://www.nps.gov/glac/gallery/050301.htm>

ROAD REPAIRS AT THE LOOP, NOVEMBER 3, 2000,
<http://www.nps.gov/glac/gallery/110300.htm>

VIRGIN ISLANDS NATIONAL PARK BUSINESS PLAN
OCTOBER 2, 2001, <http://www.nps.gov/viis/plan/plan/natlpark.pdf>

A MARINE MECHANIC REPAIRS A VESSEL

A MAINTENANCE WORKER PERFORMING ROADSIDE VEGETATION REMOVAL

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