



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Central Region


134 Union Blvd., Suite 510

Lakewood, Colorado 80228

August 4, 2006

Memorandum

To: Director, National Park Service
Assistant Secretary for Policy, Management and Budget
(Attention: Associate Director for Finance, Policy and Operations)

From: Jack Rouch 
Regional Audit Manager

Subject: Verification Review on Seven Recommendations From Our Audit "The National Park Service's Recording of Facility Maintenance Expenditures" (C-VS-NPS-0008-2006)

We completed a verification review on the seven recommendations from the subject audit report. In two memorandums dated April 17, 2006 and May 9, 2006, the Office of Financial Management (PFM) reported that all seven recommendations had been implemented and the audit report closed. The objective of this review was to determine whether the recommendations were implemented as reported.

We determined that recommendations 1, 2, and 4 had been implemented as reported. Although recommendations 3, 5, 6, and 7 were reported to us as implemented, neither PFM nor NPS could provide documentation to support that the recommendations were actually implemented. We are requesting that PFM reinstate Recommendations 3, 5, 6, and 7, and take appropriate follow-up action. The status of recommendations is summarized in the Appendix 1. The results of the verification review are summarized in Appendix 2.

Background

Our January 2005 audit report "The National Park Service's Recording of Facility Maintenance Expenditures" (No. C-IN-NPS-0013-2004) made seven recommendations to NPS relating to the recording of facility maintenance expenditures. The report identified that NPS was not accurately reporting its facility maintenance expenditures and concluded that NPS needed to make significant changes in how employees account for time spent on facility maintenance.

In its November 17, 2004 response to the draft report, NPS concurred with the findings and recommendations and stated that it would take immediate steps to implement the first six recommendations. NPS planned to implement Recommendation 7, to realign its budget requests, once all other recommendations were completed and accuracy of expenditure reporting showed significant improvement. Based on this response, we considered all seven recommendations as resolved but not implemented and referred them to PFM for tracking of implementation.

Scope and Methodology

The scope of our review was limited to determining whether NPS implemented the recommendations as reported. To accomplish our objective, we reviewed the supporting documentation that NPS officials submitted to support implementation and closure of the recommendations. We also interviewed and requested information from NPS personnel to support implementation of the recommendations. 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.

This review was not conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States.

Conclusion

At the exit conference on July 27, 2006, we informed NPS officials that we considered Recommendations 1, 2, and 4 as resolved and implemented and Recommendations 3, 5, 6, and 7 as resolved but not implemented. NPS should provide PFM with a plan for actions to be taken to implement these recommendations, including target dates and title of responsible officials by August 31, 2006.

Responding to the Report

We request that PFM reinstate Recommendations 3, 5, 6, and 7 and take appropriate follow-up action. We also request that PFM inform us of the actions taken by NPS regarding these recommendations. If you have any questions about this report, please contact me at (303) 236-9243.

cc: Audit Liaison Officer, Department of the Interior
 Audit Liaison Officer, Assistant Secretary for Fish, Wildlife, and Parks
 Audit Liaison Officer, National Park Service
 Focus Leader for Management Control and Audit Follow-up
 Branch Manager, Asset Management Program National Park Service

STATUS OF PRIOR AUDIT REPORT RECOMMENDATIONS

<u>Recommendation</u>	<u>Status</u>	<u>Action Required</u>
1, 2, 4	Resolved and Implemented	No further action is required.
3, 5, 6, and 7	Resolved and Not Implemented	We are requesting the Office of Financial Management, Office of Policy, Management and Budget, to reinstate the recommendations. The Director of NPS should provide a plan identifying actions to be taken, target dates for implementation, and titles of officials responsible for implementation.

RESULTS OF VERIFICATION REVIEW

Appropriately Implemented

Recommendation 1: “Direct the park units to comply with the policy developed by the Comptroller to accurately account for individual work efforts.”

In March 2005, NPS issued a Memorandum that directed all Regional Directors, Regional Budget Officers, and the Associate Director, Park Planning, Facilities & Lands to implement a policy to accurately account for individual work efforts. We consider this recommendation resolved and implemented.

Recommendation 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.”

In March 2005, NPS disseminated the definitions of facility operations and facility maintenance in the NPS Budget Justification to all NPS facility maintenance divisions and related financial program staff as an attachment to a NPS Comptroller Memo. We consider this recommendation resolved and implemented.

Recommendation 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.”

NPS provided training to 517 employees from FY2004 to FY2005 on how to classify work efforts as either facility operations or facility maintenance. The training also addressed the selection of appropriate accounting codes. This training was accomplished by classroom and by electronic training using the Asset Management Process/Facility Software Management System. We consider this recommendation resolved and implemented.

Not Implemented

Recommendation 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.”

Recommendation 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.”

Recommendation 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.”

Recommendation 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.”

Although recommendations 3, 5, 6, and 7 were reported to us as implemented, neither PFM nor NPS could provide documentation to support that the recommendations were actually implemented. Therefore, we consider these recommendations resolved but not implemented and are requesting that PFM reinstate Recommendations 3, 5, 6, and 7, and take appropriate follow-up action.