



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Central Region

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Lakewood, Colorado 80228


C-VS-NPS-0004-2008

April 30, 2008

Memorandum

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

Director, National Park Service

From: Jack Rouch 
Regional Audit Manager

Subject: Review to Verify Implementation of the Two Recommendations
Contained in the Evaluation Report Titled, "Administration of the
Chesapeake Bay Gateways Network and Grant Program, National Park
Service" (Report No. W-IN-NPS-0006-2005).

The Office of Inspector General has completed a verification review of the two recommendations presented in the subject audit report. The objective of this review was to determine whether the recommendations were implemented as reported by the National Park Service (NPS).

We concluded that both recommendations have been resolved and implemented. The results of the verification review are summarized below.

Background

Our July 2006 evaluation report "Administration of the Chesapeake Bay Gateways Network and Grant Program, National Park Service" (Report No. W-IN-NPS-0006-2005) made two recommendations to assist NPS in improving the administration of its grants program.

In its May 2006 response to the draft report, NPS agreed with the report's two recommendations. Based on the response, we considered both recommendations

resolved but not implemented. The recommendations were referred to the Office of Financial Management (PFM) for tracking of implementation on August 24, 2006.

On August 14, 2007, PFM reported that NPS had completed the actions required to implement the recommendations.

Scope and Methodology

The scope of our review was limited to determining whether NPS implemented the two recommendations as reported. To accomplish our objective, we reviewed the supporting documentation that NPS submitted to close the recommendations. We also interviewed NPS personnel and reviewed additional information they provided. We did not perform site visits or conduct detailed fieldwork to determine whether the underlying deficiencies identified in the original audit report have been corrected.

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

Results of Review

We concluded that the two recommendations were implemented, as reported.

Recommendation 1: Terminate relationships with grant recipients that lack valid reasons for not completing their projects in accordance with the terms of the grant agreements.

In its May 2006 response to the draft report, NPS agreed to complete or terminate all grants awarded prior to 2006 by March 30, 2007. NPS provided PFM a grants schedule supporting that this had been done as of July 10, 2007. NPS also provided us with new guidelines for justifying and processing grant extensions. Based on these actions, we consider recommendation 1 implemented.

Recommendation 2: Periodically assess whether grant project costs, such as labor, materials, in-kind contributions, and administrative charges, were accurate, allowable and reasonable in compliance with Office Management and Budget (OMB) guidelines.

In its May 2006 response to the draft report, NPS identified procedures developed to ensure all grants are reviewed for compliance with OMB guidelines on appropriate costs and matching funds. NPS also awarded a contract for third party audits of current grant compliance with OMB guidelines. We reviewed these documents and based on these actions we consider recommendation 2 implemented.

Responding to the Report

Because both recommendations are implemented, a response is not required and no additional action is required.

If you have any questions regarding this report, please call me at 303-236-9243.

cc: Audit Liaison Officer, Department of the Interior
 Audit Liaison Officer, National Park Service
 Focus Leader for Management Control and Audit Follow-up

STATUS OF PRIOR AUDIT REPORT RECOMMENDATIONS

<u>Recommendation</u>	<u>Status</u>	<u>Action Required</u>
1	Resolved and Implemented	No Action Required.
2	Resolved and Implemented	No Action Required.