



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

August 6, 2015

Memorandum

To: Kristen J. Sarri
Principal Deputy Assistant Secretary for Policy, Management and Budget

From: Charles Haman 
Central Region Manager for Audits, Inspections, and Evaluations

Subject: Verification Review of Recommendations for the Report Titled "Bureau of Indian Affairs: Wildland Fire Suppression" (ER-IN-BIA-0016-2009)
Report No. 2015-CR-030

The Office of Inspector General has completed a verification review of the six recommendations presented in the subject report to determine whether the Bureau of Indian Affairs (BIA) implemented our recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget (PMB). PFM reported to us when each of the six recommendations had been addressed and provided supporting documentation, effectively closing the recommendations on September 16, 2013. Based on our verification, we concur that all recommendations have been resolved and implemented.

Background

Our July 13, 2011 audit report, "Bureau of Indian Affairs: Wildland Fire Suppression," noted that BIA's usage of wildland fire suppression funds demonstrated significant problems. We found weaknesses with tribal agreements, insufficient monitoring of fire suppression funds, failure to record obligations when they were incurred, and various other recording issues. We made six recommendations designed to improve BIA's control over its use of wildland fire suppression funds.

In a memorandum dated May 31, 2011, BIA concurred with all six recommendations, providing a response and estimated date of implementation for each. Based on this response, we considered all six recommendations resolved but not implemented. On August 2, 2011, we referred the recommendations to PMB for tracking and implementation.

PFM issued a series of memoranda to us as it closed the recommendations. On September 27, 2012, PFM reported that Recommendations 4 and 5 were implemented and closed. On February 4, 2013, PFM reported that Recommendation 3 was implemented and closed. Finally, on September 16, 2013, PFM issued its final memorandum, indicating that Recommendations 1, 2, and 6 had been implemented and closed.

Scope and Methodology

We limited the scope of this review to determining whether BIA implemented the six recommendations in our report. To accomplish our objective, we reviewed the supporting documentation that BIA officials provided to us and to PFM. We discussed BIA's actions related to each recommendation and independently verified the recommendations' implementation.

We did not visit any sites or conduct other fieldwork to determine whether BIA corrected the identified deficiencies. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States or the Quality Standards for Inspection and Evaluation of the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

We concluded that BIA has implemented and resolved all six recommendations.

Recommendation 1: BIA, in coordination with the Office of the Solicitor, should determine when to use each of the following agreements with tribes: P.L. 93-638 self-determination contracts, P.L. 93-638 cooperative agreements, and non P.L. 93-638 cooperative agreements, as well as when to use other funding mechanisms. BIA should then establish and implement appropriate policy.

Recommendation 2: BIA should develop and require the use of a standardized template for each type of tribal agreement (funding mechanism). Each template should provide clear instructions to ensure consistency and must identify, at a minimum:

- a. Which responsibilities are to be performed by a tribe and which by BIA;
- b. How the responsibilities of each party are to be carried out;
- c. What costs can be charged to the agreement;
- d. What invoicing and billing procedures to follow, including timing of invoice submission; and
- e. What documentation/support is to be provided and maintained.

Actions Taken: BIA National Interagency Fire Center (BIA-NIFC) worked with the Office of the Solicitor to determine what mechanisms to use when managing hazardous fuels reduction, preparedness, and suppression funds (P.L. 93-638 contracts vs. cooperative agreements), and to develop a standardized cooperative agreement template to be used by bureau staff. The template addresses the five elements (a through e) offered in Recommendation 2. These elements were also incorporated into administrative checklists that BIA will use for conducting regional fire preparedness reviews. The policy was distributed to BIA regional directors via email on September 9, 2013.

According to the new policy, all tribal programs that receive recurring (base) hazardous fuels reduction, preparedness, and suppression funding from BIA will continue to use P.L. 93-638 contracts. Tribal programs that receive nonrecurring (non-base) hazardous fuels, preparedness, and suppression funding are now required to use the newly developed,

standardized cooperative agreement template that is based on the National Indian Forest Resources Management Act, 25 U.S.C. § 3115(a)(1)(C).

BIA did not develop a standardized template for P.L. 93-638 contracts because a model agreement is specified at 25 U.S.C. § 4501. The audit report also indicates that both BIA and tribes are familiar with the form. The audit report noted the problematic nature of the model agreement for fire suppression since these funds are often managed on a fire-by-fire basis and, as such, are subject to specific policies and requirements. BIA has mitigated those concerns in its new policy, however, by specifying that P.L. 93-638 contracts be used only for recurring (base) funds.

Recommendation 3: BIA Headquarters should conduct regularly scheduled fire preparedness reviews of regional offices. Regions should be reviewed at least every 5 years, although more frequently would be preferable.

Actions Taken: In a memo distributed to all regional directors on January 4, 2013, BIA's acting director established a policy giving BIA-NIFC responsibility to develop and implement a schedule ensuring that all regions have a fiscal and accountability review at least every 5 years. The memo also stated BIA-NIFC's intention to administer one preparedness review and one fiscal accountability review in two separate regions every year. BIA incorporated this policy into its Wildland Fire and Aviation Program Management and Operations Guide in 2013. In addition, BIA provided examples of reviews conducted in the Pacific Region (in January 2012), Navajo Region (in April 2013), and Northwest Region (in July 2014).

Recommendation 4: BIA should develop and implement guidance on performance of thorough financial management reviews. Guidance should require inclusion of a financial management review in each regular, regional fire preparedness review of an agency/tribal office.

Recommendation 5: BIA should establish and implement procedures for the regular analysis of fire suppression financial data, whether performed by BIA headquarters or by regional offices.

Actions Taken: In March 14, 2012, BIA established a policy that all regularly conducted regional fire preparedness reviews of agencies/tribes (see actions taken for Recommendation 3) should include the use of standardized checklists for budget and fiscal management, as well as for administrative management. The checklists include various processes to ensure BIA control of wildland fire suppression funds. The example reviews BIA provided to us and to PFM included these checklists.

Recommendation 6: BIA should develop and implement policy and procedures to ensure prompt recording of wildland fire suppression obligations/expenses and prompt payment of expenses. At a minimum, such policy and procedures should:

- a. Outline clear responsibilities and establish time frames for BIA review and approval of financial documents; and
- b. Ensure that tribal agreements reflect the established time frames.

Actions Taken: As part of the new policy and cooperative agreement template discussed for Recommendations 1 and 2, BIA also specified procedures to ensure the prompt recording of wildland fire suppression obligations and expenses, as well as prompt payment of expenses. The standardized cooperative agreement template BIA developed allows timeframes to be negotiated for invoice submittal on a monthly, quarterly, or 90-day basis, but no more than 90 days. In addition, it establishes BIA review within 7, 14, or 30 days.

Conclusion

We informed BIA officials of the results of this review on June 2, 2015.

cc: Olivia Ferriter, Deputy Assistant Secretary for Policy, Management and Budget
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