



**U.S. Department of the Interior  
Office of Inspector General**

# **SURVEY REPORT**

**PARTNERS FOR WILDLIFE HABITAT  
RESTORATION PROGRAM,  
U.S. FISH AND WILDLIFE SERVICE**

**REPORT NO. 97-I-1302  
SEPTEMBER 1997**



# United States Department of the Interior

## OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

### MEMORANDUM

OCT - 2 1997

TO: The Secretary

FROM: Wilma A. Lewis  
Inspector General

SUBJECT SUMMARY: Final Survey Report for Your Information - "Partners for Wildlife Habitat Restoration Program, U.S. Fish and Wildlife Service" (No. 97-I-1302)

Attached for your information is a copy of the subject final survey report. The objective of the review was to determine whether the U.S. Fish and Wildlife Service was adequately administering its Partners for Wildlife Restoration Program.

We found that the Service was accomplishing its Program goals of restoring or enhancing habitat sites to provide resting and breeding areas for a variety of trust species and that projects were generally completed as planned. However, we also found that the Service's cooperative agreements did not have specific and/or standard provisions on cooperators' responsibilities; guidance on cost-sharing arrangements was not sufficient to ensure consistency in the types of costs and in-kind services which were used for matching purposes; documentation supporting project expenditures was not adequate; and Program costs and accomplishments were not tracked and reported accurately and efficiently. These deficiencies occurred because the Service did not provide regional and field office personnel with adequate policies, guidance, and training to administer the Program. As a result, cooperative agreements may not be fully enforceable and adequately protect the Government's interests; some Program expenditures could not be traced to specific projects; the Service could not ensure that Program cost-sharing goals were met; and Service resources were spent unnecessarily on maintaining a tracking and reporting system that was not fully utilized.

Based on the Service's response, we considered four of the report's five recommendations resolved but not implemented and requested additional information for the remaining recommendation, which related to the need to establish a standard system for tracking and reporting Program accomplishments.

If you have any questions concerning this matter, please contact me at (202) 208-5745 or Mr. Robert J. Williams, Assistant Inspector General for Audits, at (202) 208-5520.

Attachment



# United States Department of the Interior

## OFFICE OF INSPECTOR GENERAL

Washington, D.C. 20240

### SURVEY REPORT

SEP 29 1997

#### Memorandum

To: Assistant Secretary for Fish and Wildlife and Parks

From: Robert J. Williams *Robert J. Williams*  
Assistant Inspector General for Audits

Subject: Survey Report on the Partners for Wildlife Habitat Restoration Program,  
U.S. Fish and Wildlife Service (No. 97-I-1302)

### INTRODUCTION

This report presents the results of our survey of the Partners for Wildlife Habitat Restoration Program administered by the U. S. Fish and Wildlife Service. The objective of the survey was to determine whether the Service was adequately administering the Program.

### BACKGROUND

The U.S. Fish and Wildlife Service is the principal Federal agency responsible for conserving, protecting, and enhancing the Nation's fish and wildlife resources and their habitats. To carry out these responsibilities, the Service maintains a headquarters office in Washington, DC.; seven regional offices; and approximately 700 field offices.

Approximately two-thirds of the land in the United States is privately owned and contains some of the most important fish and wildlife habitats. Since 1987, the Service has been working in voluntary partnerships with private landowners to restore wetlands and other important wildlife habitats through the Service's Partners for Wildlife Habitat Restoration Program. The purpose of the Program is to: (1) restore and enhance wetlands and other fish and wildlife habitats and (2) directly involve private landowners in the stewardship of wetlands and other fish and wildlife habitats. Typical projects undertaken by the Program to restore and enhance wetlands and habitats include the following: installing water control structures; plugging ditches; building levees to restore hydrology in drained areas; planting trees or native vegetation; physically rehabilitating in-stream aquatic habitats; and protecting/restoring riparian areas through various means, such as fencing to prevent grazing and removing exotic (nonnative) vegetation. The day-to-day operations, including selecting and monitoring restoration projects and reporting on Program activities, are performed by the Service's field office personnel. The National and Regional Coordinators are responsible for overall Program guidance and coordination.

The Fish and Wildlife Coordination Act (16 U. S.C. 661-666(c)), as amended in 1946, and the Fish and Wildlife Act of 1956 (16 U.S.C. 742 A-J) authorize the Service to provide financial and technical assistance to private landowners through voluntary cooperative agreements for restoration projects. The agreements require landowners to maintain completed restoration projects for a minimum of 10 years while retaining full control of their land. In addition, according to the Service's annual budget justifications, the Service strives to achieve an average non-Federal cost share of at least 40 percent from landowners and other partners for the Program. The Service has also entered into agreements for habitat restoration with other Federal agencies, state and local governmental agencies, and industry and conservation groups.

From fiscal year 1987, when the Program began through fiscal year 1995, the Service entered into over 14,000 agreements to restore or enhance wildlife habitats on private lands. In fiscal year 1994, the Service entered into 1,619

36,000 acres

1995, the

Service entered into 1,448 agreements, restored approximately 54,000 acres of wetlands, and incurred Program costs of about \$10.3 million.

## **SCOPE OF SURVEY**

Our survey was conducted at the Service's Southwest Regional Office in Albuquerque, New Mexico (Region 2); the Great Lakes-Big River Regional Office in Fort Snelling, Minnesota (Region 3); and selected field offices within these regions (see Appendix 1). The two regions accounted for 1,387 (45 percent) of the 3,067 agreements Servicewide for fiscal years 1994 and 1995. To accomplish our objective, we reviewed Program activities that occurred during fiscal years 1994 and 1995, reviewed policies and procedures, observed Program operations and projects, interviewed administrative and Program personnel, and conducted limited tests and analyses of project files and reports. We reviewed a total of 101 agreements at the field offices: 58 agreements initiated during fiscal year 1994 and 43 agreements initiated during fiscal year 1995. In addition, we contacted officials in the National Office and in the five other regions listed in Appendix 1 to obtain information on: (1) procedures for monitoring and tracking Program costs and accomplishments; (2) the types of agreements used; and (3) cost-sharing practices.

Our survey was made 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 that were considered necessary under the circumstances. As part of our survey, we evaluated the Service's system of internal controls related to the processes for awarding and administering cooperative agreements and monitoring and reporting Program costs and accomplishments to the extent we considered necessary to accomplish the audit objective. The internal control weaknesses identified in these areas are discussed in the Results of Survey section of this report. Our recommendations, if implemented, should improve the internal controls in these areas. We also reviewed the Department of the Interior's Annual Statement and Report to the President and the Congress, which is required by the Federal Managers' Financial Integrity Act of 1982, for fiscal years

1994 and 1995 and determined that none of the Department's reported weaknesses were related to the objective and scope of our survey.

## **PRIOR AUDIT COVERAGE**

Neither the Office of Inspector General nor the General Accounting Office has issued any reports in the past 5 years that addressed the Service's Partners for Wildlife Habitat Restoration Program.

## **RESULTS OF SURVEY**

We found that the U.S. Fish and Wildlife Service was accomplishing its goals of restoring or enhancing habitat sites to provide resting and breeding areas for a variety of trust species<sup>1</sup> through its Partners for Wildlife Habitat Restoration Program. We also found that, based on our review of 101 Program project files and our visits to 41 restoration projects undertaken during fiscal years 1994 and 1995 at the two regions reviewed, the projects were generally completed as planned. However, we found that cooperative agreements lacked specific and/or standard provisions on cooperators' responsibilities; guidance on cost-sharing arrangements was not sufficient to ensure consistency in the types of costs and in-kind services which were used for matching purposes; documentation supporting project expenditures was not adequate; and Program costs and accomplishments were not tracked and reported accurately and efficiently. These deficiencies occurred because the Service did not provide regional and field office personnel with adequate policies, guidance, and training to administer the Program. As a result, cooperative agreements may not be fully enforceable and adequately protect the Government's interests; some Program expenditures cannot be traced to specific projects; the Service could not ensure that Program cost-sharing goals were met; and Service resources were spent unnecessarily on maintaining a tracking and reporting system that was not fully utilized.

### **Cooperative Agreements**

The Service's June 18, 1992, guidance states: "Cooperative agreements must secure Federal restoration investment with a legally enforceable instrument. The duration of the agreement must be commensurate with the technical and financial assistance provided by the Service, but in no case will the duration be less than 10 years." However, we found that the Service's June 1992 guidance did not provide sufficient instructions on the terms and provisions to be included in cooperative agreements; agreements were not prepared for some projects; and agreements were not modified when additional work was performed.

**Terms and Provisions.** Of the 101 agreements we reviewed, 50 did not contain a sufficient description of the cooperator's responsibilities and/or the estimated cooperator costs, and 39 did not clearly describe the work to be performed by the Service and/or the

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<sup>1</sup>Trust species are defined as migratory birds, including waterfowl, anadromous fish, and threatened plants and animals.

estimated cost of that work. For example, the Litchfield (Minnesota) Wetlands Management District in Region 3 used a standard agreement for each of the 15 projects we reviewed. The agreement did not identify the specific scope of work to be performed by the Service or the cooperator, the cooperator's responsibilities for project maintenance, or any restrictions on property. Instead, the agreement contained only a general provision which stated:

The Service . . . shall have the right to (1) [r]estore and maintain those wetlands described on attached map by plugging drainage ditches and/or tiles and installation of water control structures; (2) [a]ccess to said tract of land by the Service, its contractors, and cooperators for management purposes; and (3) [e]stablish vegetative cover on soils disturbed during construction/development of the habitat project.

Although the 15 agreements required the Service to be reimbursed for the cost of certain or all capital improvements if a cooperator terminated the agreement, the lack of specific details in the agreements regarding the specific project work and project costs could hinder recovery of costs in the event of project termination.

In addition, the 101 agreements we reviewed did not contain a standard termination provision. The provisions in these agreements contained various methods for obtaining reimbursement of Service costs in the event of termination as follows:

Should this agreement be terminated by the Cooperator within four (4) years from the date of any capital improvement as identified above, the Cooperator shall reimburse the Service for the cost of these improvements.

The Cooperator shall reimburse the Service for the cost of all capital improvements if this Agreement is terminated by the Cooperator prior to its expiration date.

**If the Cooperator terminates the agreement prior to the expiration of its term, the Cooperator will reimburse the Service for the cost of the wildlife habitat developments on a prorated basis.**

We also found that some agreements did not contain provisions that required the cooperator to: (1) guarantee ownership of the property and warrant that there were no outstanding rights which interfered with the agreement; (2) agree to file the agreement with the appropriate county clerk; and/or (3) provide the appropriate tax information for reporting project expenditures to the Internal Revenue Service. In addition, none of the agreements contained the signatures of both spouses for property that was owned jointly.

These deficiencies occurred because the Service's June 1992 guidance did not contain sufficient details on the provisions to be included in the agreements. To ensure that all agreements are fully enforceable and adequately protect the Government's interests, the

Service should develop standard provisions, approved by the Office of the Solicitor, for inclusion in all cooperative agreements.

**Missing Agreements.** Of the 101 projects we reviewed, files for 4 projects, totaling \$3,450, did not contain a cooperative agreement. The respective officials said that for three of the projects: (1) an agreement was not obtained because of the small dollar amount of the project; (2) an agreement was not considered necessary because the partner was a state agency; and (3) the file was “misplaced” (as noted in the field office’s project log). Service officials could not explain why the fourth agreement was missing. We believe that a formal agreement should be signed for all projects regardless of the project’s cost or the nature of the partner’s organization to properly protect the Government’s interests.

**Modifications.** The Service did not modify four agreements to extend the time period for project maintenance when additional work was performed. These four agreements required the cooperator to maintain the completed restoration project for a 10-year period. However, when additional work was performed on the projects up to 4 years after the project completion date, the agreements were not modified to describe the additional work or to extend the 10-year period for project maintenance.

## **Cost Sharing**

The Service’s annual budget justifications state that the general goal of the Program is to secure an average non-Federal cost share of at least 40 percent, which could be in the form of cash or in-kind services. However, the Service had not issued guidance on the types of costs or in-kind services that could be included in the cooperators’ share of project costs. As a result, the two regions we reviewed were not consistent in the types of costs or in-kind services that were classified as the partners’ contributions. For example, Region 2 allowed the partners to include the loss of property use and/or project operation and maintenance costs as part of their in-kind services, whereas Region 3 did not allow these items for cost-sharing purposes. In fiscal year 1995, partners in Region 2 were credited for contributing as much as \$105,000, or 85 percent, on five projects that had recorded costs totaling \$123,880. However, if credits totaling \$73,000 for operation and maintenance costs and the loss of land use were excluded, the partners’ contributions would be \$32,000, or 63 percent, of the remaining project costs of \$50,880. Without adequate cost-sharing criteria, the Service cannot properly determine whether the Program’s cost-sharing goal is met or compare the regions’ cost-sharing accomplishments.

## **Program Expenditures**

Of the 101 projects reviewed, files for 43 projects, totaling about \$221,000, did not contain supporting receipts or appropriate documentation to determine whether the expenditures were related to the projects. Chapter III, Section A.9, of the FWS (Fish and Wildlife Service) Agreements Handbook (Region 2) requires that all invoices be accompanied by supporting receipts and that the receipts be retained in the Project Officer’s file. However, the field offices in Region 2 did not follow the Region’s guidance, Region 3 did not have written guidance on documenting project costs, and neither region had implemented adequate controls

to monitor and account for Program funds spent on habitat restoration projects. For example, Region 3 field offices hired contractors to perform work on several projects in the same geographical area. However, the invoices submitted by the contractors (none of which were included in the project files) did not describe the specific work performed or the costs incurred on each of 18 projects, totaling \$20,500, of the 56 projects reviewed in Region 3. Program officials said that estimates were used to derive the costs incurred on each of the 18 projects. In addition, there was no documentation in the files supporting the reported project costs for 23 projects, totaling \$198,000, of the 45 projects reviewed in Region 2 and for 2 projects, totaling \$2,000, of the 56 projects reviewed in Region 3. As a result, there was little assurance that the funds were spent efficiently and that project costs were reported accurately.

## **Program Accomplishments**

The Service was not tracking and reporting its Program accomplishments accurately or efficiently. Although the Service had designated the International Tracking System<sup>2</sup> for these purposes, one of the seven regions did not input data into the System, and only three of the regions used the System to report Program accomplishments to the Program's National Office. Further, the National Office used hard copy reports submitted by the seven regional offices to prepare its Servicewide reports instead of extracting information directly from the System. Consequently, the Service was using resources to maintain a data base that was not fully utilized.

Field personnel stated that they did not use the System because they did not have query capability and/or they had not received sufficient training on preparing project accomplishment reports. Officials at the National Office stated that they used hard copy reports from the regions because the needed data could not be easily retrieved from the System and the System's data were not completely accurate. (Regional Program Coordinators said that the System's data were about 80 percent accurate.) According to these officials, the System was not designed to record and track project expenditures.

Based on limited tests of System data at Region 3 field offices, we found that the cost data in the files were different from the cost data in the System for 55 of 56 projects reviewed. For example, costs of only \$4,300 were recorded in the System for the 13 projects we reviewed at the St. Cloud Private Lands Office, whereas documentation in the files indicated that a total of about \$20,000 was spent on these projects. Also, none of the files for the 18 projects we reviewed at the Lit&field Wetlands Management District contained documentation to support the \$37,750 recorded in the System for these projects.

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<sup>2</sup>The International Tracking System is an automated data base that was initially developed for use in other Service programs to simplify information management and to provide consistent, reliable, and timely information on habitat accomplishments.



## **Recommendations**

We recommend that the Director, U. S. Fish and Wildlife Service:

1. Develop standard provisions for cooperative agreements, approved by the Office of the Solicitor, which ensure that all cooperative agreements are fully enforceable and adequately protect the Government's interests.
2. Ensure that cooperative agreements are prepared and signed for all Program projects; clearly describe the scope of work, including the responsibilities and related costs, for both the Service and the cooperator; and are modified to extend the time period for project maintenance when additional project work is performed after the original project is completed.
3. Ensure that project files contain adequate documentation to fully support project expenditures.
4. Develop policies and guidance on the types of costs that qualify for cost-sharing purposes.
5. Reevaluate the use of the International Tracking System as the tracking and reporting system for the Program and either modify the System to adequately serve Program needs or establish a new system and/or procedures for accurately and efficiently tracking and reporting Program results. The Service should also ensure that adequate training is provided to personnel on the use of the selected system.

## **U.S. Fish and Wildlife Service Response and Office of Inspector General Reply**

The September 12, 1997, response (Appendix 2) from the Director, U.S. Fish and Wildlife Service, indicated concurrence with all five recommendations. Based on the response, we consider the recommendations resolved but not implemented. Accordingly, the recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation, and no further response to the Office of Inspector General is required (see Appendix 3). The Service also provided comments on the text of the report, which we have considered and incorporated as appropriate.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the assistance of Fish and Wildlife Service personnel in the conduct of our audit.

## OFFICES VISITED AND/OR OFFICIALS CONTACTED

<u>Offices Visited</u>	<u>Location</u>
Region 2 Regional Office	Albuquerque, New Mexico
New Mexico Ecological Services Office	Albuquerque, New Mexico
Region 2 Regional Private Lands Office	Arlington, Texas
Region 3 Regional Office	Fort Snelling, Minnesota
Wisconsin Private Lands Office	Madison, Wisconsin
St. Croix Wetlands Management District	New Richmond, Wisconsin
St. Cloud Private Lands Office	St. Cloud, Minnesota
Litchfield Wetlands Management District	Litchfield, Minnesota
<u>Officials Contacted</u>	<u>Location</u>
National Coordinator	Arlington, Virginia
National Database Manager	Arlington, Virginia
Region 1 Regional Coordinator	Portland, Oregon
Region 4 Regional Coordinator	Atlanta., Georgia
Region 5 Regional Coordinator	Hadley, Massachusetts
Region 6 Regional Coordinator	Denver, Colorado
Region 7 Regional Coordinator	Anchorage, Alaska



United

Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240

ADDRESS ONLY THE DIRECTOR  
FISH AND WILDLIFE SERVICE

SEP 12 1997

In Reply Refer To:  
FWS/DHC/BHR

Memorandum

To: Assistant Inspector General for Audits  
Office of Inspector General

From: Director

Subject: Response to Draft Survey Report on the Partners for Wildlife Habitat Restoration  
Program (Assignment No. C-IN-FWS-001-96)

This responds to your request for comments on the subject **Draft** Survey Report dated July 28, 1997. The Fish and Wildlife Service appreciates this opportunity to provide additional input to the survey and anticipates substantial improvement in delivery of the Partners for Wildlife program as a result of the survey and follow-up actions.

We offer the following comments for your use in finalizing the survey report.

**General Comments**

Service personnel at the Field, Regional, and Washington Office level worked closely with your **staff** in conducting the survey and in preparing the draft report. The Service, therefore, is in general agreement with the description of the Partners for Wildlife Habitat Restoration program and the findings of the draft report. We are currently in the process of developing program policy and field guidance to respond to many of the **draft** report's recommendations and to implement other necessary program modifications. The major tools being developed to address this need consist of a Director's Order on Procedures and Contractual Instruments for Habitat Development Projects (currently in the finalization stage), and a Partners for Wildlife program guidance document on Financial and Technical Assistance for Fish and Wildlife Habitat Development on Private Lands (draft currently under review for comment by our Regional Offices).

**Specific Comments**

We offer the following specific comments on sections of the **draft** report.

**Page 2, Paragraph 1.** The draft report refers to a number of typical habitat restoration practices undertaken to restore fish and wildlife habitats. Included in this list is installation of **riprap** to prevent erosion in riparian areas. While the Service is not precluded from using **riprap** to stabilize eroding riparian areas, this practice is very rarely used in favor of more natural methods, such as installation of tree root wads and planting riparian vegetation. We recommend deleting the reference to **riprap** as a “typical” Partners for Wildlife riparian habitat restoration practice.

**Page 4, Paragraph 1.** The report finds that the Service’s June 1992 habitat restoration guidance does not include sufficient instructions on the terms and conditions of cooperative agreements. We agree that the guidance does not provide specifics on the structure of cooperative agreements. Consequently, the Regional Offices have developed different, although similar, landowner cooperative agreement formats. In recognition of the need to provide some consistency in agreement format, as well as legal sufficiency, we are in the process of developing a standard agreement for use nationwide.

**Page 5, Paragraph 3 (Missing Agreements).** This paragraph indicates that some projects were completed without the existence of formal agreements with the landowners and, in some cases, agreements were not pursued by the Service due to the small amount of funds spent on project development. Current policy dictates that all financial assistance provided to private landowners for habitat restoration must be done under signed cooperative agreements. The policy the Service is developing (referenced in the General Comments section above) will provide additional guidance to reiterate this requirement.

**Page 5, Paragraph 5 (Cost Sharing).** We concur with this paragraph’s finding that the Service has not provided sufficient guidance on what landowner contributions are to be considered **cost-share**. The new policy the Service is developing will **clarify** that income foregone and other opportunity costs are not considered cost-share for purposes of this program.

**Page 5, Paragraph 6 (Program Expenditures).** This paragraph indicates that some project files did not adequately document all project expenses. To address this concern, we are developing guidance and policy requirements to help ensure that adequate records are being kept on all Federal outlays in support of habitat restoration projects. In addition, we are including a process in the forthcoming policy to ensure that program funds are spent by the Service on activities related to delivery of habitat restoration projects on the ground.

**Page 6, Program Accomplishments.** This section refers to the variability in the use and utility of the International Tracking System to report program accomplishment. We are aware of the problems that some Regional Offices have encountered in use of the ITS and have been exploring ways to address program tracking needs as well as future tracking requirements under the Government Performance and Results Act. In the interim, we are preparing policy guidance that allows the continued use of ITS at the Regional level, or the development of alternate methods of tracking accomplishments, provided that adequate data on the program Performance Measures (as modified by policy memorandum dated December 3, 1996) are submitted to the Washington Office at the end of each fiscal year.

Regardless of the accomplishment tracking system used (ITS or alternate method), tracking habitat restoration accomplishments will not include tracking program expenditures. Financial accounting is reported under other Service accounting systems.

### **Response to Recommendations**

***Recommendation 1.*** This recommendation suggests that the Service develop standard provisions for cooperative agreements to ensure protection of the Federal investment in habitat restoration projects. The Service's Divisions of Habitat Conservation and Contracting and General Services have developed a draft Director's Order that will clarify requirements for assistance agreements for conducting habitat restoration work on private lands. A standardized cooperative agreement, which has been reviewed by the Solicitor's Office and will be used in the Partners for Wildlife program, is included in that draft Director's Order. The Service anticipates that this Director's Order will be finalized by October 1, 1997.<sup>1</sup> The Chief, Division of Contracting and General Services, has the lead for finalization of that document.

***Recommendation 2.*** This recommendation is to ensure that projects are conducted under cooperative agreements that document project costs and responsibilities of all parties. During the first two weeks of June 1997, the Service convened an inter-Regional team of Partners for Wildlife field and Regional coordinators to help the Washington Office develop and update policy guidance for the Partners for Wildlife program. That guidance, expected to be finalized by October 15, 1997, will clarify the requirement that cooperative agreements be signed by the landowner prior to project initiation, including modifications to existing agreements to reflect any additional work not documented in original agreements. The Chief Division of Habitat Conservation, has the lead for finalization of this guidance document.

In addition, the Director's Order described in the response to Recommendation 1 above will include guidance on the requirement to document the scope of work for every project and to articulate in the agreement project costs and responsibilities to be borne by each party.

***Recommendation 3.*** This recommendation is to ensure that project files contain adequate documentation to fully support project expenditures. Both the forthcoming Director's Order and Partners for Wildlife policy document described above will include guidance that ensures that project files contain documentation to fully support project expenditures. Specifically, a cost-benefit certification form will be included as an attachment to the standard cooperative agreement to enable project managers to ensure that this information is documented for every project.

***Recommendation 4.*** This recommendation is to develop guidance on the types of costs borne by project partners that are considered cost-share. As mentioned previously, the forthcoming Partners for Wildlife policy will provide criteria for determining what landowner contributions are considered cost-share. Specifically, costs directly associated with habitat restoration work

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<sup>1</sup>If the DO is not finalized by October 1, 1997, a separate policy directive originating from the Division of Habitat Conservation transmitting the standardized agreement format for the Partners for Wildlife Program will be issued.

(including in-kind services) are considered cost-share; income foregone and other opportunity costs are not considered cost-share.

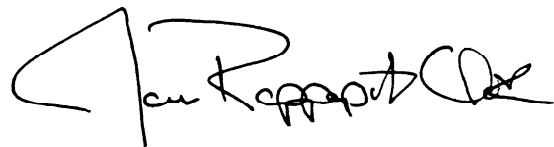
**Recommendation 5.** This recommendation proposes to either modify the existing International Tracking System, or develop a new system or procedures for accurately tracking program habitat restoration accomplishments. The Service, along with all other Federal agencies, is in the process of developing a strategic plan to respond to the requirements of the Government Performance and Results Act. Performance measures used for **GPRA** and those typically used for the Partners for Wildlife program may ultimately differ substantially. Any revision to the ITS would need to incorporate performance measures for both purposes.

The Service acknowledges the poor performance of the ITS in tracking Partners for **Wildlife** accomplishments at the national level. This largely results from a lack of **staffing** at the Regional level to maintain the system and adequately manage the data. However, some Regional Offices have been able to dedicate **staff** to maintain the system and data integrity at the Regional level. Therefore, the Service will include guidance in the forthcoming Partners for Wildlife policy that will require the Regional Offices to respond to the current performance measures at the end of each fiscal year, regardless of whether they continue to use the ITS to track accomplishments, and to ensure that Service field **staff** are adequately trained on use of whatever tracking system is used.

### **Conclusion**

The Service appreciates the opportunity to work with your office in improving the delivery and integrity of the Partners for Wildlife program. Your survey of the program and the recommendations provided were instrumental in our efforts to develop policy to guide the program into the future. We will provide you with copies of the revised Partners for Wildlife policy and the new Director's Order referenced above when they are finalized. We also intend to conduct a national training session of State and Regional Coordinators in early fiscal year 1998 to ensure that field personnel delivering the program are adequately trained in program procedures and requirements.

Please contact the Assistant Director, Ecological Services (Attn: Chief, Division of Habitat Conservation) at 703/3 58-2 16 1 if you need additional information. We look forward to receiving the final Survey Report.

A handwritten signature in black ink, appearing to read "John R. ...", is written over a large, stylized, handwritten letter "P".

DIRECTOR

## STATUS OF AUDIT REPORT RECOMMENDATIONS

Finding/Recommendation Reference	Status	Action Required
1-5	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

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