OVERSIGHT PLAN | 2023–2024

The Office of Inspector General's (OIG's) Office of Audits, Inspections, and Evaluations (AIE) conducts independent oversight of an expansive set of programs and operations in the U.S. Department of the Interior (DOI). The DOI has a remarkably broad portfolio. Its more than 60,000 employees are responsible for millions of acres of public lands throughout the country, billions of dollars in acquisitions and royalty collections, and energy production. The DOI also has far-reaching and profoundly important obligations to American Indians and Alaska Natives and coordinates Federal policy and provides technical and financial assistance to the Insular Areas. Our oversight responsibilities are, as a result, equally broad.

AIE currently comprises approximately 110 staff who conduct performance audits, inspections, evaluations, and verification reviews and perform oversight of several mandated audits. We have recently initiated a realignment plan in which our audit work will be managed separately from our inspections and evaluations work. Although all three types of work will remain part the overall AIE organizational structure, this is a step we have contemplated for many years and that we believe will allow us to define and execute our work more effectively.

Prioritizing Work That Can Lead To Positive Change

The DOI's responsibilities, and consequently, our oversight portfolio, can have a significant public impact. We likewise want our work to have a positive effect on the DOI's programs and operations. This workplan carefully considers the unique risks presented to effective oversight and management when there is a sudden influx of substantial funding.

As we have done in prior years, we have continued to follow a risk-based, tiered approach in developing this work plan to best focus our limited resources. We considered: (1) the DOI's three major management challenges as we have defined them—managing spending, delivering core services, and ensuring health and safety—and (2) additional factors such as stakeholder priorities, prior work, and emerging threats or vulnerabilities. Using this information, we arrived at nine focus areas for AIE work we plan to initiate in fiscal years (FY) 2023-2024: agency programs to address climate change, energy management, financial management, infrastructure, IT security, public safety and disaster response, responsibility to Native communities, water programs, and workplace culture and human capital. Our work also includes mandatory reviews.

Focus Areas

- Climate Change
- Energy Management
- Financial Management
- Infrastructure*
- IT Security
- Public Safety and Disaster Response
- Responsibility to Native Communities
- Water Programs
- Workplace Culture and Human Capital

*"Infrastructure" includes projects funded by the Infrastructure Investment and Jobs Act (IIJA), the Great American Outdoors Act (GAOA), the Inflation Reduction Act (IRA) and other sources.

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In considering our priority areas, we also assessed how best to use the resources our office received through the IIJA and IRA, which provided funding to the OIG for oversight of the DOI's IIJA and IRA spending. In addition, we focused on other supplemental funds the DOI has received such as GAOA and various disaster related spending.

Supplemental Funding to the DOI

IIJA | IRA | GAOA | Hurricane Sandy | Hurricanes Florence and Michael

Approximately $47 billion dollars in new funding has been provided to the DOI over the past 2 years to address priority areas.

Inflation Reduction Act

$6.65 Billion

Includes funding for: water management and conservation efforts in high drought areas

Great American Outdoors Act

$9.5 Billion

Includes funding for: deferred maintenance for parks, other public lands, and Indian schools

Plus

annual funding for the Land and Water Conservation Fund

Infrastructure Investment and Jobs Act

$30 Billion

Includes funding for: water and drought resilience, wildfire resilience, ecosystem restoration, tribal climate resilience and infrastructure, legacy pollution clean-up, and Indian water rights settlements

DOI Bureaus and Select DOI Offices

Bureau of Indian Affairs (BIA) • Bureau of Indian Education (BIE) • Bureau of Trust Funds Administration (BTFA) • Bureau of Land Management (BLM) • Bureau of Ocean Energy Management (BOEM) • U.S. Bureau of Reclamation (USBR) • Bureau of Safety and Environmental Enforcement (BSEE) • U.S. Fish and Wildlife Service (FWS) • National Park Service (NPS) • Office of Insular Affairs (OIA) • Office of Natural Resources Revenue (ONRR) • Office of the Secretary (OS) • Office of Surface Mining Reclamation and Enforcement (OSMRE) • U.S. Geological Survey (USGS)

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Supplemental Funding Flash Reports

In FYs 2023-2024, we anticipate preparing a series of flash reports, each focusing on a specific topic:

Ecosystem Restoration

The IIJA provided $1.4 billion to restore habitat connectivity for aquatic species around the country and advance habitat restoration, invasive species control, and conservation of at-risk and listed species and significant ecosystems.

Drought Mitigation

The IRA provided $4 billion to complete actions—such as voluntary water reductions, voluntary system conservation, and ecosystem and habitat restoration—to protect the Colorado River and the 40 million people it serves as well as other basins experiencing a comparable level of long-term drought.

Aging Infrastructure and Dams

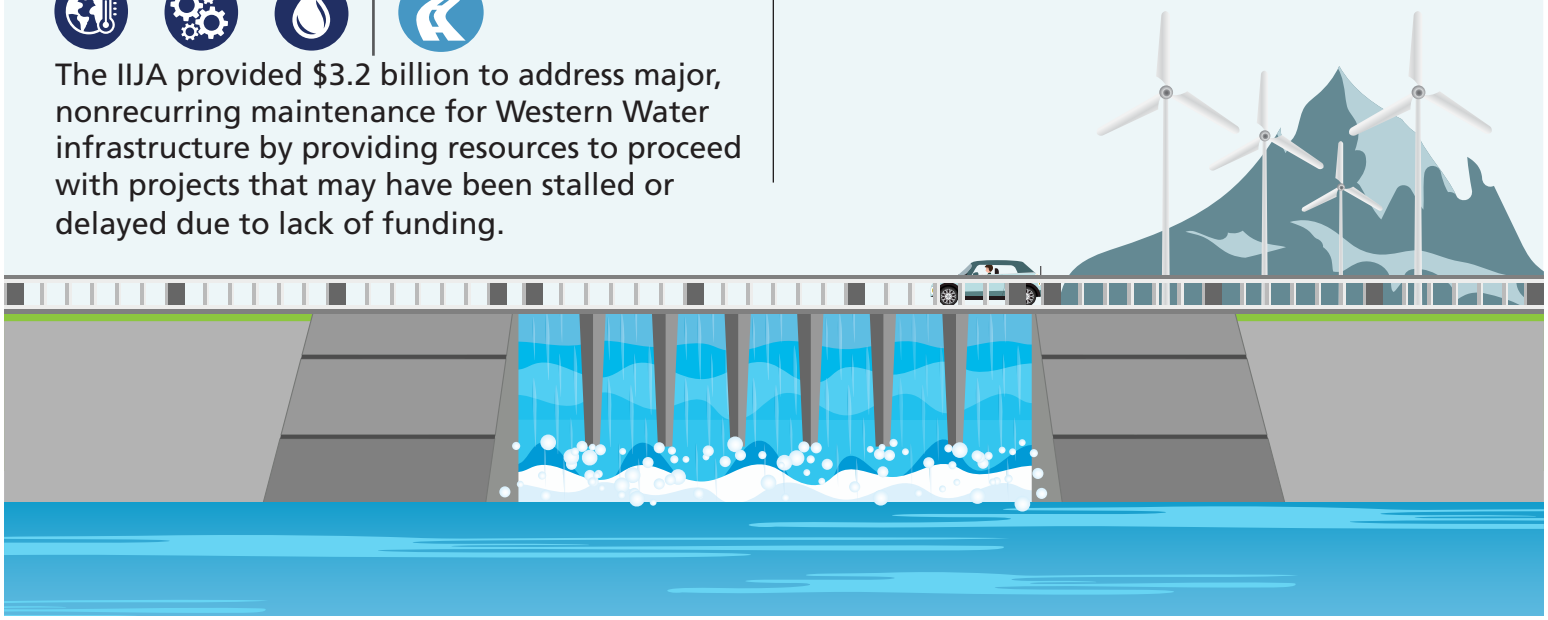
The IIJA provided $3.2 billion to address major, nonrecurring maintenance for Western Water infrastructure by providing resources to proceed with projects that may have been stalled or delayed due to lack of funding.

Rural Water Storage, Recycling, and Desalination

The IIJA provided $2.2 billion to develop municipal and industrial water supply projects in rural areas and on Tribal lands. Water recycling and reuse projects are intended to promote greater water reliability and to contribute to the resiliency of water supplies. Desalination construction programs provide a path for ocean or brackish water desalination projects to receive Federal funding.

2019 Disaster Relief Update

The 2019 Disaster Supplemental Act provided $126 million in unobligated funds for necessary expenses related to Hurricanes Florence and Michael.



Source: Zentangle/Shutterstock

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During fiscal years 2023 and 2024, we plan on initiating discretionary reviews of the following:

Klamath Basin Drought Mitigation Measures and Alternative Water Sources

At risk: Millions paid to irrigators through the Klamath Project in an effort to reduce irrigation demands. • Potential for severe drought conditions in the Klamath Basin to further impact wetland habitats that have historically supported millions of fish and waterbirds.

USBR Actions to Protect the Colorado River System

At risk: Funding provided under the IRA for water management and conservation efforts in the Colorado River Basin and other drought areas. • The expiration of several critical reservoir and water management decisional documents and agreements.

Central Valley Project Water Accountability and Controls

At risk: Potential lost revenue from uncollected fees for water delivered under USBR water service contracts.

OSMRE IIJA Fund Expenditure Preparedness

At risk: $10.9 billion provided under the IIJA to the Abandoned Mine Land (AML) Reclamation Fund, which is now the DOI's largest grant program. • Sediment contamination and water and air pollution caused by AMLs.

NPS Biosolids and Wastewater Deferred Maintenance Management

At risk: $281 million provided under Great American Outdoors Act for 13 wastewater projects. • The environment and public safety.

DOI Office of Wildland Fuels Management Program IIJA Funding Use

At risk: $878 million provided under IIJA for fuel projects managed by four bureaus with wildland fire management responsibilities. • The environment and public safety.

Source: Edmund Lowe Photography/Shutterstock



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DOI Vulnerability Remediation Practices



At risk: Operating systems without the latest software patches leave vulnerabilities that may be susceptible to compromise. • Bureau operations and the loss of sensitive data.

DOI Threat Hunting Efforts



At risk: Weaknesses in systems, applications, databases, and security solutions have the potential to allow bad actors to alter, disable, destroy, steal information, or gain unauthorized access to DOI systems. • Disruption of operations. • Compromise of U.S. Government and personal data and information.

BIA Missing and Murdered Unit Efforts to Address American Indian and Alaska Native Cases



At risk: The BIA's ability to effectively investigate and coordinate resources for American Indian and Alaska Native missing persons and murder cases. • Evidence collection and storage and complaint intake management.

Indian Schools Inspections



At risk: Health and education of students enrolled in 183 tribally controlled schools and 53 BIE operated Indian Schools. • Federal Government trust responsibility to Tribes.

DOI Use of Sanctions for Delinquent Indian Affairs' Single Audit Reports



At risk: Significant funding provided to Tribes with unresolved audit findings, which could result in ineffective or improper management of funds.

BLM Wind and Solar Renewable Energy Administration



At risk: $425 million annually from FYs 2021 through 2025 for research and development activities to enhance the production of wind and solar energy on public land. • Public trust in the efficiency, effectiveness, and fairness of the BLM's processes to review applications and grant rights-of-way.

DOI Progress in Reforming Hardrock Mining



At risk: Classification of critical minerals, which provide the building blocks for many modern technologies and contribute to national security and economic prosperity. • Compliance with the IIJA.

USGS Efforts to Construct an Energy and Minerals Research Facility



At risk: $167 million provided under the IIJA to design, construct, and build a facility for energy and minerals research.

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National Fish and Wildlife Foundation Hurricane Sandy Cooperative Agreement (D13AC00001) Administration

At risk: More than $121 million awarded to implement the Hurricane Sandy Coastal Resiliency Competitive Grant Program to restore key habitats and bolster natural systems to withstand future storms.

DOI Statement of Federal Financial Accounting Standards 59, *Accounting and Reporting of Government Land,* Implementation

At risk: DOI ability to reasonably estimate general property, including Government-owned land, to accurately state its financial position. • Compliance with Government Auditing Standards.

DOI Enterprise Risk Management Implementation

At risk: Billions in new funding for high-priority programs if effective identification and management of strategic and enterprise risks facing the DOI are not implemented.

Follow-up Intiatives

During FYs 2023-2024, we anticipate conducting two follow-up verification reviews, each focusing on reports with significant open recommendations:

Oversight of Annual Fund Transfer For Miner Benefits Needs Improvement, C-IN-OSM-004-2014A, March 2017

At risk: $2.2 billion transferred from the OSMRE to the United Mine Workers of America Health and Retirement Funds since FY 2020.

Management of Rights-of-Way in the U.S. Department of the Interior, C-IN-MOA-0013-2010, September 2012

At risk: Loss of more than $100 million in uncollected rights-of-way revenue on public and Indian lands.

Source: Jon Bilous/Shutterstock



Mandatory and Requested Activities

In addition to the discretionary work AIE will perform, we will also accomplish the following mandatory and requested work:

Oversee audits related to:

- ✓ DOI Financial Statements
- ✓ BFTA Financial Statements (Special Trustee for American Indians)
- ✓ Federal Information Security Modernization Act
- ✓ FWS Administrative Costs Incurred To Manage Wildlife and Sport Fish Restoration (WSFR)

Conduct audits, inspections, or evaluations related to:

- ✓ BIE's Analysis of the Indian Student Equalization Program
- ✓ Payment Integrity Information Act (Improper Payments)
- ✓ Grants Awarded by the FWS, WSFR Program (11 States)

Review and prepare information related to:

- ✓ Statement on DOI Major Management and Performance Challenges
- ✓ DOI Implementation of Government Charge Card Program Recommendations
- ✓ Single Audit Oversight

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