



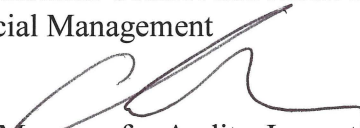
OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

September 25, 2013

Memorandum

To: Rhea Suh
Assistant Secretary for Policy, Management and Budget

Attention: Eric Eisenstein
Division Chief, Internal Control and Audit Follow-up
Office of Financial Management

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

Subject: Verification Review of Recommendations for the "Indian Land Consolidation
Advisory: Need for an Appraisal Tracking System" (WR-EV-OST-0010-2011)
Report No. C-VS-OST-0008-2013

The U.S. Department of the Interior (DOI), Office of Inspector General, has completed a verification review of the three recommendations presented in the advisory report "Need for an Appraisal Tracking System" (WR-EV-OST-0010-2011). The objective of this verification was to determine whether the recommendations were implemented by the Office of the Special Trustee for American Indians (OST) as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. PFM reported to us when each of the three recommendations in the report had been addressed. Based on our verification, we concur that all three recommendations are resolved and implemented.

Background

In our January 2011 evaluation report, "Coordination of Efforts to Address Indian Land Fractionation" (WR-EV-BIA-0002-2010), our objective was to identify challenges to implementing the *Cobell* class-action lawsuit settlement and solving the long-standing problem of Indian land fractionation. The settlement provides for a \$1.9 billion fund to be established for the voluntary buy-back and consolidation of fractionated land interests. Among the issues identified were the extended periods to produce reports from the Trust Asset and Accounting Management System (TAAMS). TAAMS is the system of record for land title and is used to process land acquisitions.

In our July 2011 advisory report "Indian Land Consolidation Advisory: Need for an Appraisal Tracking System" (WR-EV-OST-0010-2011), we reported that the regions of the Office of Appraisal Services (OAS) within OST used various methods to track appraisal requests, rather than a centralized appraisal tracking system. In an attempt to remedy the matter,

OAS had considered two options: Update its Appraisal Request and Review Tracking System to meet the varied needs of OAS regions and the reservations they serve, or create an in-house system. After weighing the issue, OAS decided to develop its own system for tracking appraisal requests, the Office of Appraisal Services Information System (OASIS). We identified that OAS supervisory appraisers generally supported a centralized tracking system; however, some noted that they would like for all OAS appraisers to provide feedback prior to live-testing in the regions.

In a memorandum dated March 15, 2012, DOI's Deputy Secretary responded to the advisory report concurring with the three recommendations. On April 5, 2012, we referred the recommendations to the Office of Policy, Management and Budget for tracking of implementation.

Subsequently, PFM issued memorandums as they closed the recommendations. On June 7, 2012, PFM reported that Recommendations 2 and 3 were implemented and closed. On August 20, 2012, PFM reported that Recommendation 1 was implemented and closed.

Scope and Methodology

The scope of this review was limited to determining whether OAS took action to implement the three recommendations in the report. To accomplish our objective, we reviewed the supporting documentation that OST officials provided to PFM and us. We discussed OAS' actions related to each recommendation and independently verified their implementation.

We did not perform any site visits or conduct fieldwork to determine if the underlying deficiencies we initially identified were corrected. As a result, this review is 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 issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

We concluded that OST resolved and implemented Recommendations 1, 2, and 3.

Recommendation 1: Implement a centralized appraisal tracking system for OAS that best positions the organization to meet its current and expected appraisal workload.

Recommendation 2: Solicit feedback from all OAS appraisers on the selected appraisal tracking system prior to testing of the system in the regions.

Action Taken: OAS demonstrated a prototype of OASIS and solicited feedback from OAS appraisers in all regions. The presentations took place from July 2011 through August 2011. Questions regarding the business model were voiced and clarification provided. Appraisers also offered input regarding needed reports.

Three selected OAS regional offices and three Bureau of Indian Affairs' (BIA) agencies participated in beta testing. OAS' and BIA's staff attended thirty-three OASIS training sessions. One hundred forty-eight BIA employees received security clearances and user setup for OASIS. The system was implemented in all 12 OAS regions in August 2012. The new centralized tracking system provides OAS the ability to track appraisal requests and generate reports on the number of appraisal services by region, agency, or tribe.

Recommendation 3: Consider issues identified in our January 2011 report when considering any TAAMS modifications for appraisals.

Action Taken: In response to the advisory report, DOI concurred with the recommendation, stating:

When considering the best solution for a centralized appraisal tracking system, OAS evaluated whether to develop a tracking system as a module within the Trust Asset and Asset Accounting Management System (TAAMS). OAS concluded that building an appraisal tracking system within TAAMS would be costly, uncertain, and risky. Nonetheless, it does make sense to have an appraisal tracking system able to communicate with TAAMS or similar land ownership tracking system to make populating of appraisal requests convenient and efficient. Integration of OAS functionality into the TAAMS system continues to be an important element of the Department's overall review of the TAAMS system.

As stated in our referral memo to PFM, this response and proposed actions adequately addressed our concerns.

Conclusion

We informed OST officials of the results of this review on September 3, 2013. OAS agreed with the results of our review.

cc: Michele Singer, Principal Deputy, Special Trustee for American Indians
Eldred F. Lesansee, Director, Office of Appraisal Services
Wendy Meierotto, Acting Director, Indian Land Consolidation Center
Nancy Thomas, Audit Liaison Officer, Office of the Secretary
Michael Oliva, Audit Liaison Officer, Bureau of Indian Affairs
Alexandra Lampros, Audit Liaison Officer, Office of the Secretary