



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

THE NATIONAL PARK SERVICE NEEDS TO IMPROVE OVERSIGHT OF RESIDENTIAL ENVIRONMENTAL LEARNING CENTERS

This is a revised version of the report prepared for public release.



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

DEC 17 2019

Memorandum

To: David Vela
Deputy Director, Exercising the Authority of Director
National Park Service

From: Mark L. Greenblatt 
Inspector General

Subject: Final Audit Report – The National Park Service Needs to Improve Oversight of
Residential Environmental Learning Centers
Report No. 2018-CR-009

This memorandum transmits our final audit report on whether the National Park Service (NPS) ensures Residential Environmental Learning Centers (RELCs) comply with agreements, statutes, and regulations. We found that the NPS did not ensure that all activities and services provided by the RELCs complied with agreements, statutes, and regulations.

We make 12 recommendations that, if implemented, will help the NPS improve oversight of its RELC partnerships. Based on the NPS' response to our draft report, we consider one recommendation resolved and implemented, nine recommendations resolved but not implemented, and two recommendations unresolved. We will refer the recommendations to the Assistant Secretary for Policy, Management and Budget for resolution and to track implementation.

If you have any questions regarding this memorandum or the subject report, please contact me at 202-208-5745.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

Table of Contents

Results in Brief	1
Introduction.....	2
Objective	2
Background	2
Findings.....	3
The NPS Did Not Consistently Use the Correct Type of Agreements to Authorize RELCs	3
The NPS Authorized Services and Activities Outside the Scope of the RELC Agreements.....	6
The NPS Did Not Monitor the RELCs for Compliance with Financial Assistance Rules and Regulations.....	10
Conclusion and Recommendations.....	15
Conclusion.....	15
Recommendations Summary.....	15
Appendix 1: Scope and Methodology.....	19
Scope	19
Methodology	19
Appendix 2: Parks with Residential Environmental Learning Centers	21
Appendix 3: List of Residential Environmental Learning Centers, Operating Agreement Information, and Filing Information	22
Appendix 4: Locations and Sites Visited or Contacted	24
Appendix 5: Monetary Impact	25
Appendix 6: Bureau Response.....	26
Appendix 7: Status of Recommendations.....	33

Results in Brief

As part of the National Park Service's (NPS') mission to extend the benefits of natural and cultural resource conservation and outdoor recreation, the NPS partners with organizations to operate Residential Environmental Learning Centers (RELCs) to provide educational services to the public. Each year more than 100,000 visitors participate in educational programs provided by 18 RELCs within parks across the country. In addition to providing educational services, the partner organizations raise millions of dollars on behalf of the NPS.

Our audit objective was to determine to what extent the NPS ensures the RELCs comply with agreements, statutes, and regulations. Specifically, we looked at the RELCs in operation from 2013 through 2017.

We found that the NPS did not ensure that all activities and services provided by the RELCs complied with agreements, statutes, and regulations.

Specifically, we found that the NPS did not consistently use the correct type of agreement or legal vehicle to authorize the RELCs. We also found that those RELCs operating under general agreements or cooperating association agreements were using those legal vehicles incorrectly. In addition, we found that the NPS allowed the RELCs operating under cooperative agreements to provide services and activities outside the scope of those agreements. This conflicts with NPS financial assistance guidance concerning property usage, which is the only guidance available related to the RELCs. The NPS has no specific policy defining what services and activities are appropriate offerings for the RELCs.

Finally, we found that the NPS did not monitor the RELCs to ensure they complied with financial assistance rules and regulations. The NPS did not consistently collect required financial and performance reports from the RELCs. In the few reports the RELCs submitted, the RELCs did not report program income accurately, if at all. Further, the RELCs that expended more than \$750,000 in Federal award dollars did not have single audits conducted as required. We questioned costs of more than \$3.7 million in funding received from financial assistance that was not reduced for program income the RELCs received.

Without meaningful oversight, the NPS has not ensured that the RELCs have complied with agreements, statutes and regulations. We make 12 recommendations that, if implemented, will help the NPS improve oversight of its RELC partnerships.

The NPS concurred with all 12 recommendations in its response to the draft report. Based on the NPS' response, we consider one recommendation resolved and implemented, nine recommendations resolved but not implemented, and two recommendations unresolved. We will refer the recommendations to the Assistant Secretary for Policy, Management and Budget for resolution and to track implementation.

Introduction

Objective

Our objective was to determine to what extent the National Park Service (NPS) ensures Residential Environmental Learning Centers (RELCs) comply with agreements, statutes, and regulations.

See Appendix 1 for the scope and methodology of our audit.

Background

Since the 1960s, the NPS has partnered with non-profit organizations to operate RELCs at national parks throughout the United States. RELCs are established at the park level to provide environmental education opportunities to people of all ages. It came to our attention, however, that some of the RELCs offered services such as weddings and hostel services, which do not align with the RELCs' environmental education efforts.

The NPS currently partners with 18 RELCs (see Appendix 2), which offer a variety of activities that fall under the umbrella of environmental education, including youth education programs, family learning programs, hiking excursions, teacher and student events (K-12 and college), and nature lectures, along with combined educational and camp-like experiences covering both day and overnight stays. During the 5 years covered under the scope of our audit, 2013 through 2017, the RELCs provided environmental education services and activities to more than 665,000 visitors. In addition to environmental education, the partners provided other functions, such as fundraising, to support the mission of the NPS. The RELCs raised more than \$78 million through fundraising efforts from 2013 through 2017.

The NPS uses multiple legal vehicles¹ when setting up RELC partnerships: 10 operate under cooperative agreements, 6 under general agreements, and 2 under cooperating association agreements, all of which are governed by different regulations and NPS Director's Orders (DOs).

¹ The term "legal vehicle" refers to the various agreements the NPS uses to establish relationships with partners or authorize certain activities at the RELCs.

Findings

We found that the NPS did not ensure that all activities and services provided by the RELCs complied with agreements, statutes, and regulations. Specifically, we found that the NPS did not consistently use the appropriate legal vehicles to authorize the services and activities the RELCs provided, and that the NPS allowed RELCs to provide services and activities outside the scope of existing agreements. In addition, for the RELCs receiving Federal assistance, we found that the NPS did not ensure that the RELCs complied with financial assistance regulations.

Throughout the course of our fieldwork, we issued three Notices of Potential Findings and Recommendations (NPFRRs) to the NPS. The NPS concurred with our potential findings and notified us that it is taking steps to implement our recommendations.

The NPS Did Not Consistently Use the Correct Type of Agreements to Authorize RELCs

While the primary purpose of all of the RELCs is similar, the NPS does not manage them as part of a unified program. The NPS instead negotiates individual RELC agreements, often at the park level, on an ad hoc basis using various legal vehicles to authorize services and activities. We found that the NPS did not consistently use the appropriate legal vehicles to authorize RELC operations.

Of the 18 RELCs the NPS operates, 6 were authorized under general agreements and 2 were authorized under cooperating association agreements. Only one of these agreements (for Channel Islands) complied with NPS policies outlined in DOs 20: Agreements and 32: Cooperating Associations.

According to DO 20, “general agreements must not commit the NPS to provide financial assistance in any form, nor transfer NPS goods or services to Federal or non-Federal entities.” Under this policy, a general agreement would provide the administrative framework for the partnership (e.g., establishment of a relationship or development of policies). If the NPS provides financial assistance to the partner, it would then need to enter into another type of agreement or legal vehicle to authorize transferring a thing of value (e.g., use of NPS buildings). We found that the RELC at Channel Islands was the only RELC operating under a general agreement that did not commit the NPS to providing any form of financial assistance.

The remaining five RELCs, however, were operating under general agreements without any other appropriate legal vehicles in place to authorize the assistance and services provided by the NPS. For instance, Delaware Gap National Recreation Area transferred the sole use of NPS-owned property rent-free to Poconos Environmental Education Center through a general agreement. The NPS provided ongoing maintenance of the facility, and staff time dedicated to the RELC’s activities. In addition, we found that Yosemite National Park provided food services inspections for NatureBridge, and Yellowstone National Park provided utilities for its RELC, Yellowstone Forever.

Similarly, DO 32 suggests that using a cooperating association agreement alone to operate an RELC is not appropriate. Under DO 32, cooperating associations can support a park's educational, scientific, historical, and interpretive activities by providing "educational products and services to national park visitors through retail sales." The order specifies, however, that other functions to support the NPS through any means beyond retail sales, such as fundraising or operating an environmental education center, may be performed "when authorized by a separate appropriate legal instrument," and further clarifies that any activities not addressed in the cooperating association agreement must be independently authorized "through separate permits, contracts or cooperative agreements, as appropriate." Two RELCs, Point Reyes National Seashore Association and Yellowstone Forever,² used cooperating association agreements without any other legal vehicles in place to authorize the operation of the RELC, including use and maintenance of NPS buildings and staff time dedicated to RELC activities.

Figure 1 provides examples of NPS assistance committed to the RELCs operating under general and cooperating association agreements.

² Yellowstone Forever operated under a cooperating association agreement during the scope of our audit. It entered into a general agreement after the time period identified within our scope.

Park Unit	RELC	Agreement	NPS			Food Services	
			Personnel	Property	Maintenance	Inspection	Utilities
Delaware Water Gap National Recreation Area	Pocono Environmental Education Center	General	✓	✓	✓		
Denali National Park and Preserve	Murie Science and Learning Center	General	✓	✓	✓		
Grand Teton National Park	Teton Science Schools	General	✓	✓ *	✓		✓
Point Reyes National Seashore	Point Reyes National Seashore Association	Cooperating Association	✓	✓	✓		✓
Prince William Forest Park	NatureBridge: Prince William Forest National Park	General	✓	✓	✓		✓
Yellowstone National Park	Yellowstone Forever	Cooperating Association	✓	✓	✓		✓
Yosemite National Park	NatureBridge: Yosemite National Park	General	✓	✓		✓	✓

*Includes free use of additional NPS meeting spaces

Figure I. Examples of NPS assistance committed to the RELCs operating under general and cooperating association agreements

Under NPS policy, general agreements and cooperating association agreements do not have the same level of administrative requirements associated with other legal vehicles, such as financial assistance agreements or contracts. Unlike other legal vehicles (e.g., cooperative agreements or contracts) that are reviewed and approved by an awarding official at the regional level, general agreements and cooperating association agreements are not required to go through a higher-level review process. We found that the NPS regions were not consistent in how they addressed these reviews. For example, the Northeast Region consistently reviewed general agreements for all of its units, while other regions simply offered the park units the option of sending general agreements to the respective regional offices for review.

We issued an NPSFR informing the NPS that it did not consistently use the appropriate legal vehicles to authorize RELC operations. The NPS agreed with the potential finding and notified

us that it planned to evaluate all RELC program agreements “to determine the most appropriate and consistent path forward for the future.”

Recommendations

We recommend that the NPS:

1. Work with the Office of the Solicitor to review the current general and cooperating association agreements in place for the RELCs and determine the appropriate legal vehicle(s) that should authorize services and activities in each location
2. Develop and implement a process for ensuring the RELCs operate under appropriate legal vehicles

The NPS Authorized Services and Activities Outside the Scope of the RELC Agreements

Ten of the 18 RELCs currently operating across the Nation are authorized under cooperative agreements with their respective parks. We found, however, that the NPS allowed the RELCs to provide services and activities beyond the scope of those agreements.

Cooperative agreements are legal vehicles used to transfer things of value, such as funds or use of property, to a recipient to support a public purpose with substantial involvement from the agency issuing the cooperative agreement.³ The NPS often used cooperative agreements to transfer the use of its properties to the RELCs to carry out environmental education programs for the public.

Some RELC Services and Activities Conflict with NPS Guidance

The NPS has issued guidance that outlines the appropriate use of NPS property under a cooperative agreement.⁴ According to the guidance, a building used under a cooperative agreement may only be used for purposes defined in the agreement. The guidance explicitly states that the property “shall not” be used for the recipient’s benefit, including fundraising or rental use unless authorized under the cooperative agreement. We found that all 10 RELCs operating under cooperative agreements engaged in fundraising and most rented out lodging accommodations. Further, the NPS guidance offers templated language for the awarding officers to include in cooperative agreements, which prohibits renting the facilities for special events or conferences, serving or selling food or beverages, or selling merchandise. All 10 RELCs offered such services and activities. In addition, we identified RELCs offering other non-environmental education activities such as local area sightseeing tours, ticketed themed events, and yoga and art programs (Figure 2).

³ 54 U.S.C. § 101702

⁴ NPS’ “Guidance for Property Usage as Financial Assistance”

RELC	Fundraising	Lodging	Conference Rental	Wedding Services	Food Sales	Merchandise Sales	Other*
Cuyahoga Valley Environmental Education Center	✓	✓	✓		✓		✓
Dunes Learning Center	✓	✓	✓		✓	✓	✓
Glacier Institute	✓						
Great Smoky Mountain Institute at Tremont	✓						
NatureBridge Golden Gate National Recreation Area	✓	✓	✓		✓	✓	✓
NatureBridge: Olympic National Park	✓	✓	✓	✓	✓	✓	✓
NatureBridge: Santa Monica Mountains National Recreation Area	✓					✓	
North Cascades Institute	✓	✓	✓	✓	✓	✓	✓
Point Bonita YMCA	✓	✓	✓		✓		✓
Schoodic Institute at Acadia National Park	✓	✓	✓		✓		✓

* Examples include tours of Golden Gate Bridge and Chinatown in San Francisco; a private hiking experience to the Point Bonita Lighthouse with live music, a silent auction, and refreshments for a total cost of \$50 per person; and a variety of art and yoga programs for women, including chef-crafted meals, ranging in cost from \$250 to \$365 per person.

Figure 2: RELC services and activities that conflict with NPS guidance

Weddings in particular, were a high-dollar offering. For example, NatureBridge at Olympic National park advertises on its website wedding packages that range in costs from around \$13,000 to \$18,000. North Cascades Institute (NCI) also offers weddings, as well as retreats, and hostel services for visitors (see Figure 3).

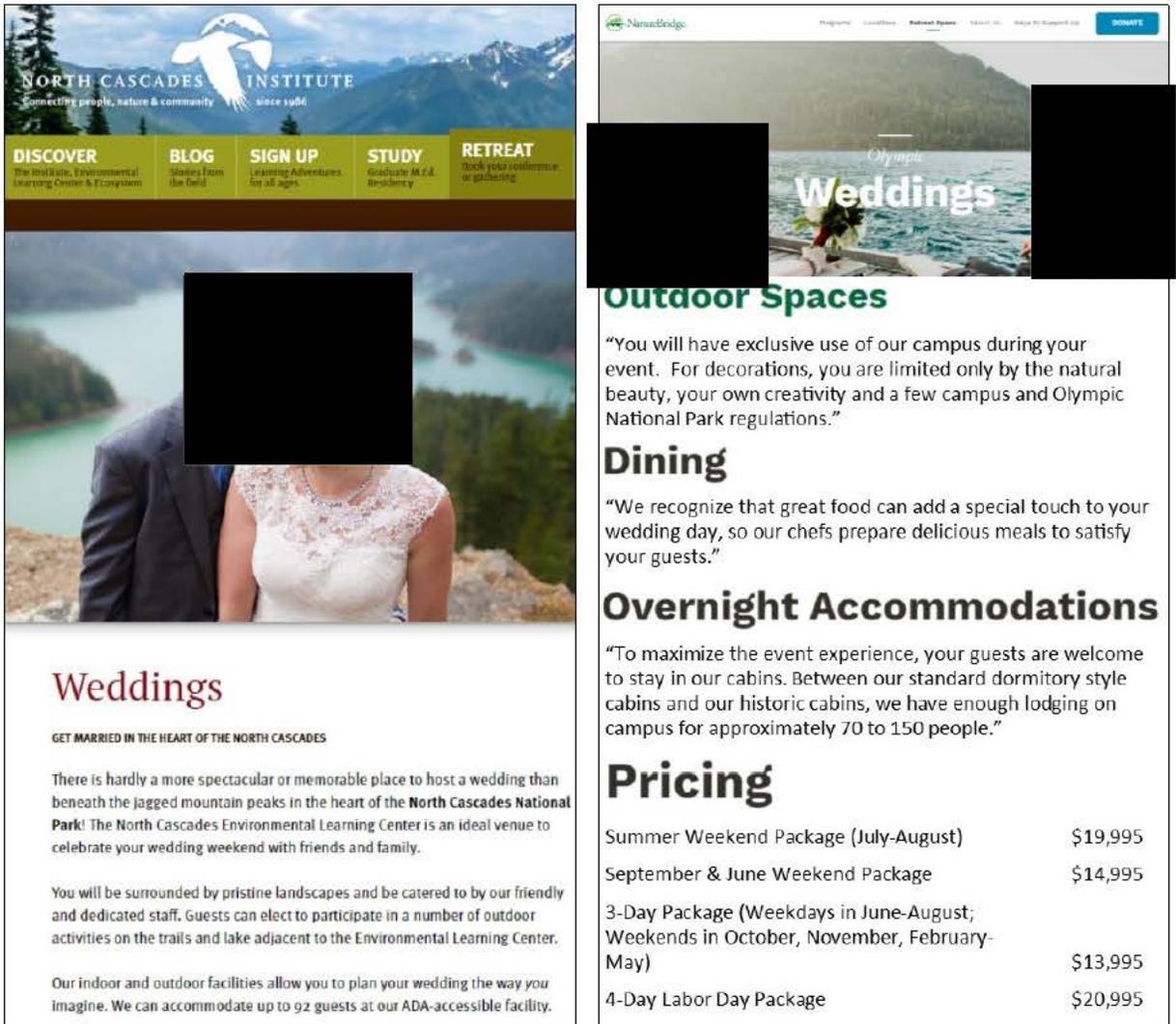


Figure 3. Examples of RELC websites offering wedding packages at national parks.

Certain services and activities such as fundraising, lodging, conference space rental, and food sales may be more appropriately authorized under other legal vehicles such as philanthropic partnership agreements, facility management agreements, commercial use authorizations, or concessionaire contracts. We issued an NPFR regarding these RELC services and activities. The NPS agreed with the potential finding and told us it is in active discussions with solicitors, regional partnership coordinators, park superintendents, and the RELCs to address the issue.

The NPS Does Not Have a Policy Defining Appropriate RELC Services and Activities

During our audit, we did not find any NPS policies specific to RELC activities and services. Further, even though the NPS issued guidance regarding the use of NPS property as financial assistance, it does not consider this guidance mandatory. As a result, 1) there is confusion among NPS staff regarding which services and activities the RELCs can offer under their cooperative agreements, and 2) the NPS can circumvent requirements related to other legal vehicles that may more appropriately authorize some of the services and activities being offered by the RELCs.

The NPS' "Guidance for Property Usage as Financial Assistance" states that it is "highly recommended" that the Office of the Solicitor review cooperative agreements if there are significant deviations from templated language. In a 2004 audit, we recommended that the Solicitor review all cooperative agreements, and in a 2007 verification review, we confirmed that the recommendation had been resolved but not implemented. We noted, however, that subsequent to the verification review, the policy regarding Solicitor review was rescinded, leaving cooperative agreement development solely at the discretion of the awarding officers.

We also found that some RELCs continued to engage in non-educational activities such as weddings, even after the Solicitor's legal review [REDACTED] under an RELC agreement. In 2015, the NPS received an opinion from the Office of the Pacific Northwest Regional Solicitor [REDACTED].

The opinion [REDACTED]

We learned that the NCI, as well as other RELCs, still offered the services and activities in question, and the NPS had not addressed the issues identified in the Solicitor's opinion.

Recommendations

We recommend that the NPS:

3. Have the Financial Assistance Policy Branch work with the Office of the Solicitor to determine which activities can be authorized within RELC cooperative agreements
4. Develop and implement policy that specifically outlines which services and activities are permitted under cooperative agreements and other types of agreements for the RELCs
5. Review the agreements in place for the RELCs, determine which services are appropriately authorized for each location, and address the unauthorized services and activities

The NPS Did Not Monitor the RELCs for Compliance with Financial Assistance Rules and Regulations

NPS financial assistance awarding officers are responsible for monitoring the RELCs operating under cooperative agreements to ensure that they meet the Federal financial assistance requirements codified at 2 C.F.R. part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements. We identified instances in which those requirements were not met. Specifically, we found that the NPS did not consistently ensure that the RELCs submitted the required financial and performance reports. We also found that, in the few reports the RELCs submitted, the RELCs did not report program income accurately, if at all. In addition, we found that the NPS was not aware that the RELCs that spent more than \$750,000 in Federal award dollars did not have single audits conducted as required.

The NPS Did Not Ensure that the RELCs Follow Financial and Performance Reporting Requirements for Cooperative Agreements

Federal law requires the NPS to monitor Federal award recipients by reviewing financial and performance reports from the recipients annually.⁵ Standard Form-425 (SF-425) is the standard approved Office of Management and Budget financial reporting form for Federal financial award recipients. Of the 10 RELCs operating under cooperative agreements, we identified (see Appendix 3):

- Four RELCs that did not have any SF-425s on file with the NPS:
 - Great Smoky Mountains Institute at Tremont
 - North Cascades Institute
 - NatureBridge: Golden Gate National Recreation Area
 - Point Bonita YMCA
- Three RELCs that were missing SF-425s for multiple reporting periods:
 - Glacier Institute
 - NatureBridge: Olympic National Park
 - NatureBridge: Santa Monica Mountains National Recreation Area
- Three RELCs that filed SF-425s as required:
 - Cuyahoga Valley Environmental Education Center (CVEEC)
 - Dunes Learning Center
 - Schoodic Institute (Acadia Partners for Science and Learning)

The NPS Financial Assistance Policy Branch also identified the RELCs' failure to file reports as required as an issue. The branch began conducting annual internal audits in 2016 that included determining if financial assistance personnel received filings from award recipients on time and reviewed the filings in a timely manner. The results for both the 2016 and the 2017 internal compliance audits indicated a "fail" status for both tests. For many of the regions, the audit indicated, "no record of reports received." In addition, the percentage of sampled filings received

⁵ 2 C.F.R. §§ 200.327 and 200.328

in a timely manner were 32.3 percent and 28.3 percent for 2016 and 2017, respectively. When we asked RELC staff why they did not file SF-425s, they informed us that they did not need to file since they did not receive a Federal cash award or that it was not required within the terms of their agreement, both of which were inaccurate.

NPS regional awarding officers reported different systems for receiving and monitoring SF-425s. In one region, awarding officers enter the date each report is received into a spreadsheet for tracking purposes. The lead awarding officer noted, however, that while a tracking system existed, many award recipients were not in compliance. In another region, the lead awarding officer stated that the SF-425s should be sent to a specific e-mail account. They noted, however, that no one monitored the e-mail account, and thus they were unsure which recipients were in compliance. When asked about the monitoring issues, the awarding officers cited several factors, including needing to prioritize the distribution of awards over monitoring compliance, unfilled vacancies, and insufficient means for tracking reporting.

The NPS Did Not Ensure that the RELCs Accurately Reported Program Income and Accounted for Federal Cash Awards

According to the regulations, non-Federal entities are encouraged to earn income to defray program costs where appropriate.⁶ Use of program income is generally defined in the terms and conditions of the Federal award and it is also a standard reporting element on the SF-425. Since the NPS provided SF-425s for only 3 of the 10 RELCs operating under cooperative agreements, we reviewed the audited financial statements for each of the 10 RELCs to determine if they earned program income. We found that all 10 RELCs have earned some level of program income that should have been reported on SF-425s. None of the RELCs, however, accurately reported program income, including the RELCs that did submit SF-425s (see Appendix 3).

For example, an awarding officer reported the NPS has never received an SF-425 from the NCI, which we found earned an average of more than \$1.4 million in program income in the form of contracts, tuition, and fees annually. In another case, the NPS did receive SF-425s from the CVEEC on a regular basis. While the program income section on all the SF-425s were either left blank or showed \$0, we found that the CVEEC averaged more than \$500,000 in program income annually.

Further, according to the regulations, unless specifically stated otherwise in the terms and conditions of the award, program income must be deducted from the total allowable costs of the award to determine the net allowable costs.⁷ Four RELCs received Federal cash awards (in addition to property usage at the respective park unit) as part of their cooperative agreement from 2013 through 2017 that should have been reduced by program income (see Figure 4).

⁶ 2 C.F.R. § 200.307(a)

⁷ 2 C.F.R. § 200.307(e)(1)

RELC	Federal Cash Awards
Cuyahoga Valley Environmental Education Center (Conservancy for Cuyahoga Valley National Park)	\$1,662,542
Dunes Learning Center	985,400
North Cascades Institute	60,000
Schoodic Institute at Acadia National Park	999,641
Total	\$3,704,583

Figure 4. RELCs receiving Federal cash awards between 2013 and 2017

The RELCs did not reduce their cash awards by the amount earned. For example, the CVEEC received Federal cash awards of more than \$1.6 million from the NPS to operate its environmental education and Volunteers-in-Parks programs. The CVEEC earned \$2.9 million in program income (nearly twice its Federal award amount) through program tuition and fees over 5 years. At the Indiana Dunes Environmental Learning Center, the RELC received Federal cash awards totaling almost \$1 million between fiscal years 2013 and 2017, and earned more than \$2 million in program income over 5 years, with each year equating to more than the annual Federal cash award. Combined with the \$1.1 million of program income from the NCI and Schoodic Institute, we question more than \$3.7 million of costs related to program income (see Appendix 4).

The NPS Did Not Require the RELCs to File Single or Program-Specific Audits

We found that none of the 18 RELCs were subject to a single audit during fiscal years 2013 through 2017.⁸ Single Audit requirements for Federal awards state that recipients that expend \$750,000 or more during a fiscal year are required to have a single or program-specific audit.⁹ The Federal awards expended include the use of Federal cash disbursements, program income, and free rents.¹⁰ While none of the RELCs met the threshold on the basis of cash awards alone, many of the RELCs would have met the threshold if program income and free rents had been properly calculated and considered.

When we asked RELC staff about conducting single audits, a common response was that the RELCs did not meet the \$750,000 threshold required for a single audit. One significant example is Teton Science School, which averaged more than \$9 million per year in program income. In this case, the RELC's Director of Finance stated that they were not even aware that generating this level income necessitated a single audit.

⁸ YMCA of San Francisco, which encompasses Point Bonita YMCA's environmental education program, filed a single audit for fiscal year 2013. The list of Federal awards expended within that audit, however, did not contain any information related to the RELC specifically.

⁹ 2 C.F.R. § 200.501

¹⁰ 2 C.F.R. § 200.502

Further, the NPS and RELC staff we spoke to were unaware that program income and free rent should have been considered as Federal expenditures as they relate to audit requirements. The NPS Deputy Director of Management and Administration even noted that it is difficult to get the parks to recognize free rent as a thing of value. While reviewing the RELCs' financial statements, we found that only one RELC, Dunes Learning Center, estimated the fair value of the free rent it received from Indiana Dunes National Park for the use of its facilities. The estimated value of the free rent, coupled with the cash awards it received and the program income it earned best illustrate how many, if not most, of the RELCs would meet the threshold required for single audit (see Figure 5).

Type of Federal Expenditure	2013	2014	2015	2016	2017
Federal Cash Assistance	\$185,000	\$160,000	\$310,755	\$166,546	\$191,896
Program Income	392,027	405,464	370,486	410,360	444,983
Value of Free Rent	<u>231,558</u>	<u>231,558</u>	<u>232,000</u>	<u>232,000</u>	<u>237,000</u>
Total Federal Expenditure	\$808,585	\$797,022	\$913,241	\$808,906	\$873,879

Figure 5. Dunes Learning Center Federal expenditures for 2013 through 2017

The single audit provides additional support for the NPS to ensure that the use of the Federal awards is appropriate. By conducting a single audit, certain factors related to the Federal award received, such as internal controls over the related Federal program, would help the NPS determine whether the auditee (in this case the RELC) has complied with Federal statutes, regulations, and the terms and conditions of the Federal award.

We issued an NPFR to the NPS regarding its monitoring of RELC compliance with financial assistance rules and regulations. The NPS agreed with the potential finding and notified us that it plans to address the policies accordingly. The NPS specifically stated that it would inform the RELCs that single audit requirements are applicable to all financial assistance agreements, including the RELCs, and inform them that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent.

Recommendations

We recommend that the NPS:

6. Develop and implement a system to ensure the RELCs are filing the requisite reports in accordance with Uniform Administrative Requirements
7. Provide ongoing monitoring to ensure that the RELCs' reports are accurate
8. Explicitly address the use of program income in all RELC-related cooperative agreements moving forward
9. Review Federal cash awards to the RELCs in comparison to program income to ensure that the RELCs are appropriately accounting for the awards and drawing the correct amount of Federal funds
10. Resolve the discrepancies in the Federal cash awards drawn by the RELCs
11. Advise the RELCs of their responsibilities to obtain and file a single audit and clarify that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent
12. Develop and implement a system to monitor the RELCs' conformance with single audit requirements

Conclusion and Recommendations

Conclusion

The RELCs provide significant benefits to both the public and the Federal Government by offering engaging environmental experiences for visitors and supporting the interpretive and education mission of the NPS. The RELCs, however, do not constitute a single NPS program, and as such they vary widely in terms of the legal vehicles from which they are administered and managed, the activities and services they provide, and the extent to which they are in compliance with agreements, statutes, and regulations.

In order for the NPS to maintain and grow its educational initiatives, it must ensure that the RELCs are operating under the appropriate legal vehicles and in accordance with those vehicles' administrative requirements. In addition, it must ensure that the RELCs are offering services and activities to the public consistent with their respective agreements that do not distract from their public purpose—providing environmental education opportunities. Finally, the NPS must more proactively monitor the RELCs for compliance with financial assistance rules and regulations to hold the RELCs accountable for program and financial performance.

Recommendations Summary

The NPS responded to our draft report on October 9, 2019, concurring with all 12 recommendations and providing target dates and officials responsible for implementation (see Appendix 6 for the full NPS response). Based on the response, we consider one recommendation resolved and implemented, nine recommendations resolved but not implemented, and two recommendations unresolved (see Appendix 7 for the status of recommendations).

We recommend that the NPS:

1. Work with the Office of the Solicitor to review the current general and cooperating association agreements in place for the RELCs and determine the appropriate legal vehicle(s) that should authorize services and activities in each location

NPS Response: The NPS is working with the Office of the Solicitor to review the current general and cooperating association agreements in place for the RELCs to determine which legal instruments should authorize services and activities in each location.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget (PMB) for implementation tracking.

2. Develop and implement a process for ensuring the RELCs operate under appropriate legal vehicles

NPS Response: The NPS met with the Office of the Solicitor to examine the appropriate authorizations for activities outlined in RELC cooperative agreements. The NPS is also

working with the Office of the Solicitor to determine whether the NPS should use any other legal instruments to authorize RELC activities.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

3. Have the Financial Assistance Policy Branch work with the Office of the Solicitor to determine which activities can be authorized within RELC cooperative agreements

NPS Response: The NPS met with the Office of the Solicitor to examine the appropriate authorizations for activities outlined in RELC cooperative agreements. The NPS is also working with the Office of the Solicitor to determine whether the NPS should use any other legal instruments to authorize RELC activities.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

4. Develop and implement policy that specifically outlines which services and activities are permitted under cooperative agreements and other types of agreements for the RELCs

NPS Response: The NPS will issue policy outlining which services and activities the RELCS may provide upon completion of its review of applicable financial assistance, legal instruments, and authorities.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

5. Review the agreements in place for the RELCs, determine which services are appropriately authorized for each location, and address the unauthorized services and activities

NPS Response: The NPS is reviewing current RELC agreements and will correct those operating under inappropriate agreements and address the permitted and prohibited activities at each facility.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

6. Develop and implement a system to ensure the RELCs are filing the requisite reports in accordance with Uniform Administrative Requirements

NPS Response: The U.S. Department of the Interior and the NPS have policies in place regarding required reports in accordance with applicable regulations. The NPS will clarify that the reporting requirements apply to all financial assistance agreements regardless of whether the agreement provides Federal funding.

OIG Comment: Based on the NPS' response, we consider this recommendation unresolved. While the NPS' clarification of the reporting requirements assists understanding of the requirements, it does not ensure that the organizations are complying with the reporting requirements. We will refer this recommendation to the PMB for resolution.

7. Provide ongoing monitoring to ensure that the RELCs' reports are accurate

NPS Response: The Department and the NPS have policies in place regarding required reports in accordance with applicable regulations. The NPS policy outlines the review and approval process for required reports. The NPS will clarify that the reporting requirements apply to all financial assistance agreements regardless of whether the agreement provides Federal funding.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

8. Explicitly address the use of program income in all RELC-related cooperative agreements moving forward

NPS Response: The NPS revised its cooperative agreement template to incorporate a mandatory section for program income for all new cooperative agreements going forward.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved and implemented.

9. Review Federal cash awards to the RELCs in comparison to program income to ensure that the RELCs are appropriately accounting for the awards and drawing the correct amount of Federal funds

NPS Response: The NPS will clarify that program income must be included in the financial reports and that the reporting requirements are applicable to all financial assistance agreements. The NPS policy outlines the review and approval process for required reports.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

10. Resolve the discrepancies in the Federal cash awards drawn by the RELCs

NPS Response: The NPS will review the current RELC agreements and develop a consistent approach for addressing any discrepancies in the Federal cash awards drawn by the RELCs.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

11. Advise the RELCs of their responsibilities to obtain and file a single audit and clarify that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent

NPS Response: The NPS will clarify that the single audit requirements are applicable to all financial assistance agreements regardless of whether the agreements provide Federal funding. The NPS will also inform the RELCs that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent.

OIG Comment: Based on the NPS' response, we consider this recommendation resolved but not implemented. We will refer this recommendation to the PMB for implementation tracking.

12. Develop and implement a system to monitor the RELCs' conformance with single audit requirements

NPS Response: The NPS policy requires awarding officials to check for a single audit and consider the information provided prior to issuing a financial assistance agreement or any associated Federal funding. The NPS will clarify that single audit regulations apply to all financial assistance agreements.

OIG Comment: Based on the NPS' response, we consider this recommendation unresolved. The NPS' plan may increase understanding of the single audit requirements. It does not, however, implement a process to ensure that the RELCs comply with those requirements. Specifically, while the NPS requires that awarding officials check for a single audit and consider the information provided prior to issuing an award, it does not require them to verify partner compliance after issuing the financial award. We will refer this recommendation to the PMB for resolution.

Appendix I: Scope and Methodology

Scope

Our objective was to determine to what extent the National Park Service (NPS) ensures that Residential Environmental Learning Centers (RELCs) comply with agreements, statutes, and regulations. Our scope included fiscal years 2013 through 2017. While we met with and requested documents from NPS partners, we did not evaluate individual partner organizations or their financial systems and unrelated expenditures.

Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit's objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish the audit's objectives, we:

- Gathered background information on the NPS' use of RELCs within park units
- Identified and reviewed departmental and NPS policies related to the RELCs
- Reviewed external listings of the RELCs to determine if our population was complete
- Reviewed key internal controls related to issuing agreements and monitoring the RELCs
 - Noted a deficiency in internal control related to separation of duties, specifically that awarding officers were primarily responsible for developing, awarding, and monitoring the cooperative agreements
 - Noted that, while there are monitoring activities at the Financial Assistance Policy Branch level, the monitoring does not address remediation of identified internal control deficiencies in a timely manner as required within Standards for Internal Control in the Federal Government
- Did not rely on data provided by information systems and, as such, did not test underlying controls
- Visited sites selected from the lists the NPS provided us, basing selections on types of agreements in place to get a broad coverage of the agreements
 - Visited eight national parks and interviewed staff from the parks and their respective RELCs

- Visited two NPS regional offices, interviewed regional staff, and held an interview via teleconference with one additional regional office
- Interviewed headquarters staff, including the Acting Deputy Director of Operations; the Deputy Director of Management and Administration; and the Chief of Interpretation, Education, and Volunteer Services
- Reviewed all operating agreements between the NPS and the 18 RELCs
- Reviewed NPS policies and procedures related to agreements, interpretive services, and financial assistance
 - Interviewed the Bureau Procurement Chief and the Financial Assistance Policy Branch Chief
- Reviewed requisite RELC financial filings submitted to the NPS
- Obtained and analyzed the annual financial statements for all 18 RELCs
- Reviewed an opinion from the Office of the Solicitor related to activities the RELCs provided

Appendix 2: Parks with Residential Environmental Learning Centers

Park Unit	Residential Environmental Learning Center
Acadia National Park	Schoodic Institute at Acadia National Park
Channel Islands National Park	NatureBridge
Cuyahoga Valley National Park	Cuyahoga Valley Environmental Education Center (Conservancy for Cuyahoga Valley National Park)
Delaware Water Gap National Recreation Area	Pocono Environmental Education Center
Denali National Park and Preserve	Murie Science & Learning Center
Glacier National Park	Glacier Institute
Golden Gate National Recreation Area	NatureBridge
Golden Gate National Recreation Area	Point Bonita YMCA
Grand Teton National Park	Teton Science Schools
Great Smoky Mountains National Park	Great Smoky Mountains Institute at Tremont
Indiana Dunes National Park	Dunes Learning Center
North Cascades National Park Complex	North Cascades Institute
Olympic National Park	NatureBridge
Point Reyes National Seashore	Clem Miller Environmental Education Center (Point Reyes National Seashore Association)
Prince William Forest Park	NatureBridge
Santa Monica Mountains National Recreation Area	NatureBridge
Yellowstone National Park	Yellowstone Forever Institute (Yellowstone Forever)
Yosemite National Park	NatureBridge

Appendix 3: List of Residential Environmental Learning Centers, Operating Agreement Information, and Filing Information

RELC	Type of Operating Agreement	SF 425s on File with the NPS	Single Audit
Great Smoky Mountains Institute at Tremont	Cooperative	None	Not on File
Cuyahoga Valley Environmental Education Center*	Cooperative	Each year covered under our scope is on file, but program revenue is listed as either \$0 or left blank.	Not on File
North Cascades Institute*	Cooperative	None	Not on File
Dunes Learning Center*	Cooperative	Each year covered under our scope is on file, but Program Revenue reported on SF-425s differs from program revenue reported on financial statements.	Not on File
Glacier Institute*	Cooperative	Only one SF-425 on file for the period of April 18, 2016, to December 31, 2016	Not on File
Murie Science and Learning Center	General	†	Not on File
NatureBridge: Channel Islands National Park	General	†	Not on File
NatureBridge: Golden Gate National Recreation Area	Cooperative	None	Not on File
NatureBridge: Olympic National Park	Cooperative	SF-425s are on file related to a secondary agreement with the NPS from 2016 through 2018.	Not on File

RELC	Type of Operating Agreement	SF 425s on File with the NPS	Single Audit
NatureBridge: Prince William Forest Park	General	†	Not on File
NatureBridge: Santa Monica Mountains National Recreation Area*	Cooperative	SF-425s are on file related to a secondary agreement with the NPS from 2016 through 2018.	Not on File
NatureBridge: Yosemite National Park	General	SF-425s are on file related to a secondary agreement with the NPS for 2016.†	Not on File
Pocono Environmental Education Center	General	†	Not on File
Point Bonita YMCA	Cooperative	None	The YMCA of San Francisco (the parent organization) had a single audit, for the fiscal year that ended June 30, 2013, and the Federal awards list within the single audit did not include the RELC award.
Point Reyes National Seashore Association	Cooperating Association	†	Not on File
Schoodic Institute (Acadia Partners for Science and Learning)	Cooperative	Each year covered under our scope is on file, but program revenue is listed as either \$0 or left blank.	Not on File
Teton Science Schools	General	†	Not on File
Yellowstone Forever	Cooperating Association	†	Not on File

* These five RELCs received Federal cash awards (in addition to property usage at the respective park unit) as part of their cooperative agreement.

† General agreements and cooperating association agreements, in their true form, would not necessitate Federal financial reporting.

Appendix 4: Locations and Sites Visited or Contacted

Site
National Park Service (NPS) Headquarters
NPS Pacific West Region Office
NPS Inter-Mountain Region Office
NPS Northeast Region Office*
Acadia National Park Residential Environmental Learning Center (RELC): Schoolic Institute at Acadia National Park
Cuyahoga Valley National Park RELC: Cuyahoga Valley Environmental Education Center (Conservancy for Cuyahoga Valley National Park)
Golden Gate National Recreation Area RELC: NatureBridge: Golden Gate National Recreation Area RELC: Point Bonita YMCA
Grand Teton National Park RELC: Teton Science Schools
Great Smoky Mountain National Park RELC: Great Smoky Mountain Institute Tremont
North Cascades National Park Complex RELC: North Cascades Institute
Yellowstone National Park RELC: Yellowstone Forever Institute (Yellowstone Forever)

* Contacted by telephone

Appendix 5: Monetary Impact

This table presents questioned costs for fiscal years 2013 through 2017 by Residential Environmental Learning Center (RELC). Because the form and level of detail of supporting documentation was insufficient (varied by region and RELC, and did not consistently include all agreements and Standard Form-425s), we included all identified overpayments. Some overpayments could have gone undetected. While we met with and requested documents from NPS partners, we did not evaluate partner organizations or their financial systems and unrelated expenditures.

RELC	Questioned Costs*
Cuyahoga Valley Environmental Education Center (Conservancy for Cuyahoga Valley National Park)	\$ 1,662,542
Indiana Dunes Environmental Learning Center	985,400
North Cascades Institute	60,000
Schoodic Institute at Acadia National Park	999,641
Total	\$3,704,583

*We questioned the full Federal cash award for the RELCs listed.

Appendix 6: Bureau Response

The National Park Service's response follows on page 27.



IN REPLY REFER TO:

United States Department of the Interior

NATIONAL PARK SERVICE
Washington, DC 20240

OCT 09 2019

To: Office of Inspector General

From: Deputy Director, Operations
Exercising the Authority of the Director

Subject: National Park Service responses to: Office of Inspector General draft report entitled: "The National Park Service Needs to Improve Oversight of Residential Environmental Learning Centers" (Report No. 2018-CR-009)

The National Park Service (NPS) has reviewed the reference draft report. The NPS takes these matters seriously and are working to ensure that Residential Environment Learning Center agreements comply with statutes and regulations and with applicable policies.

Attached are the responses to the specific recommendations, including steps the NPS has taken or will be taking to address the concerns raised.

If you should have any questions or need additional information, contact Vera Washington, NPS Audit Liaison Officer at 202-354-1960.

Attachment

The National Park Service responses to: Office of Inspector General draft report entitled: "The National Park Service Needs to Improve Oversight of Residential Environmental Learning Centers" (Report No. 2018-CR-009)

OIG Recommendation	NPS Response	Target Date	Responsible Official
Recommendation #1 - Work with the Office of the Solicitor to review the current general and cooperating association agreements in place for the RELCs and determine the appropriate legal vehicle(s) that should authorized services and activities in each location.	The NPS FA Policy Chief and the Acting Associate Director for Interpretation, Education and Volunteers, under the direction of the Deputy Director for Management and Administration, are working with the DOI Office of the Solicitor to review the current general and cooperating association agreements in place for the RELCs to determine the appropriate legal instrument(s) that should authorize services and activities in each location.	12/31/20	Heidi Sage WASO Financial Assistance Branch Chief & DOI Office of the Solicitor
Recommendation #2 - Develop and implement a process for ensuring the RELCs operate under appropriate legal vehicles.	The NPS FA Policy Chief and the Acting Associate Director for Interpretation, Education and Volunteers have met with Regional and DOI Solicitors to begin an examination of appropriate authorizations for activities outlined in RELC cooperative agreements. In addition to cooperative agreements, the parties are investigating any other legal instruments which may serve this purpose.	06/30/21	Heidi Sage WASO Financial Assistance Branch Chief & DOI Office of the Solicitor
Recommendation #3 - Have the Financial Assistance Policy Branch work with the Office of the Solicitor to determine which activities can be authorized.	The NPS Financial Assistance Policy Branch and the Directorate of Interpretation, Education and Volunteers have met with Regional and DOI Solicitors	12/31/20	Heidi Sage WASO Financial Assistance Branch Chief &

within RELC cooperative agreements.	to begin an examination of appropriate authorizations for activities outlined in RELC cooperative agreements. In addition to cooperative agreements, the parties are investigating any other legal instruments which may serve this purpose.		DOI Office of the Solicitor
Recommendation #4 - Develop and implement policy that specifically outlines which services and activities are permitted under cooperative agreements and other types of agreements for the RELCs.	Upon completion of the review of applicable financial assistance and other legal instruments and authorities, the NPS will issue policy outlining activities to be permitted and prohibited in partner operation of RELCs.	6/30/21	Heidi Sage WASO Financial Assistance Branch Chief & DOI Office of the Solicitor
Recommendation #5 - Review the agreements in place for the RELCs, determine which services are appropriately authorized for each location, and address the unauthorized services and activities.	Agreement review is underway which will both correct those RELCs currently operating under inappropriate agreements (General Agreements, etc.) as well as address the activities to be permitted and prohibited at each facility.	12/31/20 to review Date TBD to address	Heidi Sage WASO Financial Assistance Branch Chief
Recommendation #6 - Develop and implement a system to ensure the RELCs are filing the requisite reports in accordance with Uniform Administration Requirements.	The Department of the Interior (DOI) and the National Park Service (NPS) have policy in place regarding recipient reports that are required in accordance with applicable regulations. NPS will clarify in writing with our Financial Assistance Agreements Officers (FAAOs) as well as with the current RELC recipient organizations that the reporting requirements are applicable to all financial assistance agreements, including RELCs, regardless	3/31/20	Heidi Sage WASO Financial Assistance Branch Chief

	of whether or not Federal funding is provided as part of the financial assistance agreement.		
Recommendation #7 - Provide ongoing monitoring to ensure that the RELCs' reports are accurate.	The Department of the Interior (DOI) and the National Park Service (NPS) both have policy in place regarding recipient reports that are required in accordance with applicable regulations. NPS will clarify in writing with our Financial Assistance Agreements Officers (FAAOs) as well as with the current RELC recipient organizations that the reporting requirements are applicable to all financial assistance agreements, including RELCs, regardless of whether or not Federal funding is provided as part of the financial assistance agreement. NPS FAAOs review and acceptance of required reports is addressed in NPS policy.	3/31/20	Heidi Sage WASO Financial Assistance Branch Chief
Recommendation #8 - Explicitly address the use of program income in all RELC-related cooperative agreements moving forward.	NPS has financial assistance templates which are mandatory in accordance with NPS policy, including a cooperative agreement template. This template has been revised to incorporate a mandatory selection regarding the treatment of program income in all new cooperative agreements going forward, rather than incorporating program income language on an as needed basis, to ensure it is explicitly addressed.	completed	Heidi Sage WASO Financial Assistance Branch Chief

<p>Recommendation #9 - Review Federal cash awards to the RELCs in comparison to program income to ensure that the RELCs are appropriately accounting for the awards and drawing the correct amount of Federal funds.</p>	<p>NPS will clarify in writing with our FAAOs that program income must be included in the recipient reports that are required in accordance with applicable regulations and, as stated above, that the reporting requirements are applicable to all FA agreements including RELCs. NPS FAAOs review and acceptance of required reports is addressed in NPS policy.</p>	<p>03/31/20</p>	<p>Heidi Sage WASO Financial Assistance Branch Chief</p>
<p>Recommendation #10 - Resolve the discrepancies in the Federal cash awards by the RELCs.</p>	<p>NPS will review the current RELC agreements and develop a consistent approach to address any discrepancies in the Federal cash awards drawn by the RELCs.</p>	<p>03/31/21</p>	<p>Heidi Sage WASO Financial Assistance Branch Chief</p>
<p>Recommendation #11 - Advise the RELCs of their responsibilities to obtain and file a single audit and clarify that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent.</p>	<p>NPS will clarify in writing with the current RELC recipient organizations that the single audit requirements are applicable to all financial assistance agreements, including RELCs, regardless of whether or not Federal funding is provided as part of the financial assistance agreement. This will include informing the RELCs that Federal expenditures, as they relate to single audits, include Federal cash awards, program income, and the value of free rent.</p>	<p>03/31/20</p>	<p>Heidi Sage WASO Financial Assistance Branch Chief</p>
<p>Recommendation #12 - Develop and implement a system to monitor the RELCs' conformance with single audit requirements.</p>	<p>NPS policy requires that FAAOs check for a single audit and consider the information provided in the single audit, when</p>	<p>03/31/20</p>	<p>Heidi Sage WASO Financial Assistance Branch Chief</p>

	<p>applicable, prior to issuing a Federal financial assistance agreement or any associated Federal funding. NPS will clarify in writing with our FAAOs that single audits are required in accordance with applicable regulations and that these requirements are applicable to all FA agreements including RELCs.</p>		
--	---	--	--

Appendix 7: Status of Recommendations

In its response to our draft report (see Appendix 6), the National Park Service concurred with all 12 recommendations. We consider one recommendation resolved and implemented, nine recommendations resolved but not implemented, and two recommendations unresolved. Based on the response, we will refer the recommendations to the Office of Policy, Management and Budget (PMB) for resolution and implementation tracking.

Recommendation	Status	Action Required
Recommendation 8	Resolved and implemented	No additional action is needed.
Recommendations 1 – 5, 7, and 9 – 11	Resolved but not implemented	We will refer these recommendations to the PMB to track their implementation.
Recommendations 6 and 12	Unresolved	We will refer these recommendations to the PMB for resolution.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



By Internet: www.doioig.gov

By Phone: 24-Hour Toll Free: 800-424-5081
 Washington Metro Area: 202-208-5300

By Fax: 703-487-5402

By Mail: U.S. Department of the Interior
 Office of Inspector General
 Mail Stop 4428 MIB
 1849 C Street, NW.
 Washington, DC 20240