



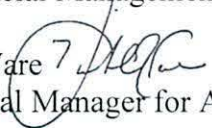
**OFFICE OF  
INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

**AUG 21 2013**

Memorandum

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

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

From: Hannibal M. Ware   
Eastern Regional Manager for Audits, Inspections, and Evaluations

Subject: Verification Review of Recommendations for the Report, "Audit of the  
International Technical Assistance Program" (ER-IN-OSS-0009-2009)  
Report No. VI-VS-OSS-0004-2013

The U.S. Department of the Interior (DOI) Office of Inspector General (OIG) has completed a verification review of the six recommendations presented in the subject report. Our objective was to determine whether the recommendations had been implemented by DOI's Office of International Affairs (OIA) as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. PFM has closed all six recommendations. We concur that all recommendations have been resolved and implemented.

**Background**

OIG's July 2010 report, "Audit of the International Technical Assistance Program," contained six recommendations related to the International Technical Assistance Program's (ITAP) stewardship of Federal resources.

In a memorandum dated June 1, 2010, OIA concurred with all six recommendations and detailed its plans to implement the recommendations as well as actions it had already taken. On July 26, 2010, we referred the recommendations to PFM for tracking and implementation. PFM reported on September 27, 2011, that OIA had implemented three recommendations and on September 27, 2012, that the rest had been implemented. PFM then closed all six recommendations.

**Scope and Methodology**

Our scope was limited to determining whether OIA implemented the six recommendations. We reviewed the supporting documentation provided by OIA officials and discussed actions taken relating to each of the recommendations. We did not perform any site

visits or conduct fieldwork to determine whether OIA corrected the underlying deficiencies that we initially identified. As a result, this review was not conducted in accordance with the Generally Accepted Government Auditing Standards or the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency.

## **Results of Review**

OIA implemented all six of OIG's recommendations as indicated by their closure.

**Recommendation 1:** We recommend that DOI clarify and formally document ITAP's mission and role within DOI.

**Action Taken:** On October 19, 2010, OIA published chapter 112 DM 31 in DOI's Departmental Manual. The manual now clarifies and formally documents OIA's organization, functions, and responsibilities, including ITAP. OIA also updated its Web site to explain ITAP's mission and role.

**Recommendation 2:** We recommend that DOI draft and implement internal policy that would ensure ITAP complies with all statutory and regulatory requirements and adequately protects Federal funds.

**Action Taken:** On September 27, 2012, OIA submitted a draft of its ITAP Policies and Procedures Handbook to OIG and PFM. The latest version of the ITAP Handbook is dated July 2013.

**Recommendation 3:** We recommend that DOI ensure ITAP's compliance with the Transparency Act.

**Action Taken:** The Transparency Act requires Federal agencies to enter the names of all entities and organizations that receive over \$25,000 in Federal funds into [www.USAspending.gov](http://www.USAspending.gov). We visited this Web site and verified that ITAP reported its awards. On August 1, 2013, the Web site reported 12 transactions with a total of \$420,476.

**Recommendation 4:** We recommend that DOI consult with the Office of the Solicitor to determine when MOUs [memoranda of understanding], grants, and cooperative agreements are the proper vehicle for disbursing funds through ITAP.

**Action Taken:** ITAP included procedures for issuing MOUs, grants, and cooperative agreements in Chapter IV of its Handbook, which was reviewed and approved by the Office of the Solicitor on September 13, 2012. The approval notification states: "I have reviewed the ITAP Handbook of Policies and Procedures and have found that it . . . is responsive to all Recommendations of the Inspector General in its General Audit Report titled Audit of the International Technical Assistance Program (Report No. ER-IN-OSS-0009-2009)."

**Recommendation 5:** We recommend that DOI ensure that agreements with donor agencies clearly define ITAP's relationship with donors, the expectations of all parties, and the actions a donor agency may take in identifying an entity as a proper recipient of Federal funds.

**Action Taken:** On June 15, 2011, OIA implemented a policy to ensure that ITAP's agreements with donor agencies clearly articulate why ITAP is the proper funding recipient and what work ITAP will accomplish with the funds. The policy included a template of a cooperative agreement. OIA also addressed this recommendation in Chapter III of the ITAP Handbook.

On July 19, 2013, the ITAP director provided us with copies of two recent agreements. We reviewed the agreements and confirmed that they clearly defined ITAP's relationship with the donor agency, the expectations of all parties, and the actions the donor agency can take to identify ITAP as a proper recipient of Federal funds.

**Recommendation 6:** We recommend that DOI develop and implement policy and operating procedures that define ITAP's processes, particularly its administrative fees, to include requirements for regular review and appropriate adjustment.

**Action Taken:** On April 1, 2011, the ITAP director issued a DOI-ITAP Management Fees Analysis, which listed five things every ITAP agreement should contain. This policy provided for an annual management fee review and adjustment. According to the ITAP director, updates to the administrative fees policy were published in Chapter III of the ITAP Handbook.

## **Conclusion**

We informed OIA officials of the results of this review on August 8, 2013. OIA officials agreed with our results.

cc: Barbara Pitkin, Director, Office of International Affairs  
Cynthia Perera, Deputy Director, Office of International Affairs  
Sharon Blake, Audit Liaison Officer, Office of Financial Management  
Nancy Thomas, Audit Liaison Officer, Office of Financial Management  
Alexandra Lampros, Audit Liaison Officer, Office of Financial Management