




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

Report No. WR-VS-BOR-0010-2010
September 3, 2010

Memorandum

To: Michael L. Connor
Commissioner, Bureau of Reclamation

From: Michael P. Colombo 
Regional Manager

Subject: Verification Review of Recommendations One and Three from Our December 1998 Audit Report Titled "Identification of Unneeded Acquired Lands, Bureau of Reclamation" (99-I-133)

The Office of Inspector General has completed a verification review of Recommendations 1 and 3 presented in the subject audit report. The objective of the review was to determine whether the Bureau of Reclamation (BOR) implemented the recommendations as reported to the Office of Financial Management and Office of Policy, Management and Budget. In a memorandum dated August 7, 2009, the Office of Financial Management reported to the Office of Inspector General that all of the recommendations in the subject report had been implemented, and the audit report was closed.

Background

Our December 1998 audit report, "Identification of Unneeded Acquired Lands, Bureau of Reclamation" (No. 99-I-133), made three recommendations to correct deficiencies related to BOR's process of identifying and reporting unneeded acquired lands.

In a September 25, 1998 response to the draft report, BOR concurred with all three of the report's recommendations. BOR provided a target date of October 1, 1999, for implementation of Recommendations 1 and 2, but did not provide a target date for implementation of Recommendation 3. Based on that response and subsequent information they provided, we considered Recommendations 1, 2, and 3 resolved but not implemented. In December 1998, we referred all three Recommendations for tracking of implementation to the Office of Policy, Management and Budget. In a January 2002 memorandum, the Office of Financial Management (PFM) reported that the three recommendations were implemented and closed.

In March 2007, we conducted a verification review of the three recommendations and determined that Recommendation 2 was implemented as reported, but that Recommendation 1

and 3 had not been implemented. In addition, we found that BOR no longer concurred with Recommendation 3. We requested PFM to reinstate Recommendation 1 as resolved but not implemented and Recommendation 3 as unresolved and to take appropriate follow-up action.

In a memorandum dated May 2007, PFM reinstated Recommendation 1 and decided not to reinstate Recommendation 3 and considered it resolved and closed. In a memorandum dated August 2009, PFM considered Recommendation 1 implemented and closed and, with no outstanding recommendations, considered the report implemented and closed.

Scope and Methodology

The scope of this review was limited to determining whether BOR took action to implement the recommendations. To accomplish our objective, we reviewed the supporting documentation that BOR officials provided us relating to each of the recommendations.

We did not perform any site visits or conduct any detailed fieldwork to determine whether the underlying deficiencies that were initially identified have actually been corrected. As a result, this review was not conducted in accordance with the “Government Accounting Standards,” issued by the Comptroller General of the United States.

Results of Review

Our current review found that BOR implemented one of the recommendations and determined the other recommendation to be resolved and closed.

Recommendation 1: Develop and issue clear policies and procedures to guide bureau officials in conducting land reviews and identifying unneeded real property.

In May 2007, BOR reported that it would develop guidance containing procedures for conducting field reviews for both acquired and withdrawn lands for the purpose of identifying and reporting unneeded lands.

We obtained a copy of BOR’s guidance for identification of unneeded land in its Reclamation Lands Handbook titled “Identification of Unneeded Lands.” We also obtained a copy of the Reclamation Manual Directives and Standards (D&S), which provides Reclamation-wide direction for consistency of process and methods in identifying and reporting unneeded land. Both of these documents are used in the regions and provide clear policies and procedures for conducting land reviews and identifying unneeded real property. Upon reviewing this documentation, we concluded that Recommendation 1 has been resolved and implemented.

Recommendation 3: In implementing Recommendations 1 and 2, notify the Congress of the bureau’s intention to dispose of acquired lands in accordance with 41 CFR 101-47 that were initially purchased for authorized projects but presently are not needed for undeveloped or incomplete projects.

In May 2007 BOR stated in its nonoccurrence, that: “At the time of the 1998 audit, there was no requirement in 41 CFR 101-47 or in any related executive order for reclamation to notify Congress of our intention to dispose of acquired lands.” BOR also stated, “The new General Services Administration (GSA) Federal Management Regulations (FMR) 40 CFR part 102-75 on Real Property Disposal only requires military departments and the Office of Emergency Planning to report to the Committees on Armed Services of the House of Representatives and Senate. There is no requirement for other agencies to report directly to Congress.”

We reviewed both 41 CFR 101-47 and 41 CFR part 102-75 and agree there are no requirements for Reclamation to report directly to Congress on disposal of unneeded lands. Therefore, we consider Recommendation 3 resolved and closed.

Conclusion

We informed BOR officials of the results of this review on August 24, 2010. BOR officials agreed with the results of our review.

cc: Elaine Ferrari, Liaison Coordinator, Bureau of Reclamation
Eric Eisenstein, Branch Chief, Internal Control and Audit Follow-up, Office of Financial Management (MS 2557-MIB)