



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

Report No. WR-VS-NPS-0013-2010
September 24, 2010

Memorandum

To: Director, National Park Service

Assistant Secretary for Policy, Management and Budget
(Attention: Associate Director for Finance, Policy and Operations)

From: Michael P. Colombo
Regional Manager

Subject: Verification Review of Recommendations Three, Five, Six, and Seven of Audit Report Titled "The National Park Service's Recording of Facility Maintenance Expenditures" (C-IN-NPS-0013-2004), January 2005

The Office of Inspector General (OIG) has completed a verification review of four of seven recommendations presented in the subject audit report. The objective of the review was to determine whether the recommendations were implemented as reported to the Office of Financial Management, Office of Policy, Management and Budget. In two memorandums dated September 7, 2006, and September 29, 2008, the Office of Financial Management (PFM) 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 January 2005 audit report, "The National Park Service's Recording of Facility Maintenance Expenditures," (Report No. C-IN-NPS-0013-2004) made seven recommendations to the National Park Service (NPS) relating to the recording of facility maintenance expenditures.

In a November 17, 2004 response to the draft of the subject report, NPS concurred with the findings and recommendations and stated that it would take immediate steps to implement the first six recommendations. NPS planned to implement Recommendation 7, which recommended realignment of its budget requests, once all the other recommendations were completed and accuracy of expenditure reporting showed significant improvement. Based on this response, we considered all seven recommendations resolved but not implemented and referred them to PFM for tracking and implementation. In two memorandums dated April 17, 2006, and May 9, 2006, PFM reported that all seven recommendations had been implemented, and the audit report was closed.

In August 2006, we conducted a verification review of the seven recommendations and determined that Recommendations 1, 2, and 4 had been implemented as reported, but Recommendations 3, 5, 6, and 7 had not been implemented. We requested PFM to reinstate Recommendations 3, 5, 6, and 7, and take appropriate follow-up action.

Scope and Methodology

The scope of this review was limited to determining whether NPS took action to implement the recommendations. To accomplish our objective, we reviewed the supporting documentation that NPS officials provided us relating to each of the four 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 Auditing Standards,” issued by the Comptroller General of the United States.

Results of Review

Our current review found that NPS implemented Recommendations 3 and 7 but did not implement Recommendations 5 and 6. We are requesting that PFM reinstate recommendations 5 and 6 and take appropriate follow-up actions.

Recommendation 3: Require park units to use time input documents to capture facility maintenance efforts accurately in the time accounting system. Employees’ time must be reported against accounting codes that accurately reflect the work effort expended.

NPS officials reported that NPS uses Quicktime to accurately capture employee hours and that it can account for the primary work element (PWE) facility maintenance and operations accounting structure. We learned that Quicktime is being used in all the parks. We obtained a Quicktime report, which includes the PWEs for facility maintenance and facility operations. After reviewing this report and the list of PWEs and speaking with NPS officials, we concluded that Recommendation 3 has been resolved and implemented.

Recommendation 5: Establish a monitoring process to ensure that facility maintenance expenditures are being accurately captured and reported. For example, require the regions to conduct periodic comparisons of park facility maintenance expenditures against park facility maintenance work efforts and against budget planning documents and request explanations for discrepancies.

In PFM’s memo to the OIG dated September 7, 2006, it stated, “NPS would implement a plan to conduct periodic comparisons of park facility maintenance expenditures against budget planning documents.” NPS provided us with a spreadsheet from the Pacific West Region that compares the financial system (AFS) and their work management system (FMSS). During our review we learned from NPS officials that NPS has not established a monitoring system and is currently creating one but waiting for Financial and Business Management System to be

implemented in fiscal year 2012. NPS officials told us the Pacific West Region is the only region using the spreadsheet to compare AFS and FMSS. NPS hopes in the next two years other regions will adopt the Pacific West's monitoring process. Because NPS does not have a monitoring process established throughout the regions, we concluded that this recommendation has not been implemented.

Recommendation 6: Hold park managers accountable for ensuring the accuracy of their reporting including taking action against park managers who fail to properly account for facility maintenance expenditures.

In March 2005, NPS issued a memorandum to the Regional Directors in response to this recommendation. After reviewing the memorandum we did not find any information that holds park managers accountable for ensuring the accuracy of their reporting or any information regarding what actions would be taken if park managers fail to properly account for facility maintenance expenditures. We concluded that this recommendation has not been implemented.

Recommendation 7: Realign the budget request to more closely reflect the actual facility operations and facility maintenance obligations within the facility operations and maintenance sub-activity. This realignment should not be made until facility operations and facility maintenance obligations have been accurately recorded in the accounting system for at least one fiscal year.

An NPS official told us the budget realignment request in 2006 was accepted by the Office of Management and Budget and would be used for the fiscal year 2010 budget. We obtained a copy of the fiscal year 2010 budget realignment and based on our review conclude that Recommendation 7 is resolved and implemented.

Conclusion

We informed NPS officials of the results of this review on September 21, 2010.

If you have any questions about this report, please contact me at (916) 978-5653.

cc: Eric Eisenstein, Branch Chief, Internal Control and Audit Follow-up, Office of Financial Management (MS 2557-MIB)