




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

August 11, 2014

Memorandum

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

From: Michael P. Colombo 
Western Regional Manager for Audits, Inspections, and Evaluations

Subject: Verification Review of Recommendations for the Audit Report, "Hazardous Fuels Reduction Program, Department of the Interior" (W-IN-MOA-0002-2005, April 2006)
Report No. WR-VS-OSS-0005-2014

The U.S. Department of the Interior (DOI) Office of the Inspector General (OIG) has completed a verification review of the five recommendations presented in the subject audit report. The objective of the verification was to determine whether the recommendations were implemented by the Department as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget (PMB). PFM reported to OIG when each of the five recommendations in the subject report had been addressed and provided supporting documentation. As a result, the audit report effectively closed November 6, 2009. Based on our verification, we concur that all five recommendations are resolved and implemented.

Background

Our April 17, 2006 audit report, "Hazardous Fuels Reduction Program, Department of the Interior," contained five recommendations relating to performance measurement, operational funding and contracting for hazardous fuel reduction projects, and collaborating with the United States Forest Service (USFS).

In his March 28, 2006 response to the draft report, the Assistant Secretary for Policy, Management and Budget partially concurred with Recommendation 1 and concurred with Recommendations 2, 3, 4, and 5. With regard to Recommendation 1, the Assistant Secretary agreed that performance measures could be improved, but also stated that the Department had no current means of attaching costs to individual fuels treatments based upon vegetation and topography as we had recommended, and doing so would be costly and take years to implement. We considered Recommendation 1 to be unresolved and asked the Assistant Secretary to reconsider his response to this recommendation. We considered Recommendations 2 and 5 to be resolved but not implemented and requested additional information for Recommendations 3 and 4.

In a June 15, 2006 response, the Deputy Secretary concurred with the Assistant Secretary's previous response to Recommendation 1, stating that, "Managers already have a good working knowledge of the comparative costs of hazardous fuels treatments by vegetation and terrain that they may factor into the program as appropriate." Based on the Deputy Secretary's response, we revised the recommendation to eliminate the portion that called on the Department to measure the cost and difficulty of treating different types of vegetation on different topographies. On July 27, 2006, we informed PFM that we considered all five recommendations resolved and referred the recommendations for tracking of implementation.

Subsequently, PFM reported that all five recommendations had been implemented (memorandums dated September 28, 2007; February 21, 2008; and October 6, 2009), and the audit report was closed.

Scope and Methodology

The scope of this review was limited to determining whether DOI took action to implement the recommendations. To accomplish our objective, we reviewed documentation submitted to PMB to close the recommendations, participated in discussions with Office of Wildland Fire Coordination (OWFC) officials, and obtained and reviewed additional supporting documentation from OWFC.

We did not perform any site visits or conduct fieldwork to determine whether DOI had corrected the underlying deficiencies we initially identified. As a result, this review was not conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States or the Quality Standards for Inspection and Evaluation as set forth by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Our current review found that OWFC implemented all five recommendations.

Recommendation 1: Develop performance measures, in coordination with USFS that focus on outcomes (reduction of wildland fire risk).

Action Taken: At the time the audit report was issued, DOI was engaged with USFS in developing mutually acceptable approaches that would also satisfy the Office of Management and Budget. This effort was interwoven with the Wildland Fire Leadership Council's review of the "10-Year Strategy Implementation Plan" (2006), a strategic intergovernmental planning document required by Congressional Appropriations (Public Law 106-291 for Fiscal Year 2001). The performance measures from this document were subsequently incorporated into the Wildland Fire Management Budget Justification, which serves as the current plan and performance measure in place.

The outcome-based performance measures relating to the fuels program are identical to those that were identified in the "10-Year Strategy Implementation Plan" provided by PFM when it closed this recommendation on September 28, 2007. In the section for Goal 2 - Reduce

Hazardous Fuels, the strategy document identifies the following implementation outcome: “Hazardous fuels are treated, using appropriate tools, to reduce the risk of wildfire to communities and to the environment.”

In order to achieve this outcome, three performance measures were developed. The first two performance measures focus on simple output (number of acres treated). We concluded, however, that the third performance measure, “Percent of collaboratively identified high-priority acres treated where fire management objectives are achieved as identified in applicable management plans or strategies,” addresses the desired outcome - risk reduction. In addition, we concluded from our review of recent performance measurement data that emphasis has been placed on treating high-priority acres in the wildland urban interface and on moving acreage to better condition classes. Based on the Department’s creation and use of the revised performance measure, we conclude that Recommendation 1 has been implemented.

Recommendation 2: Define performance reporting, in coordination with USFS, to separately identify and distinguish between initial fuels reduction and maintenance treatments to more accurately reflect progress made under the [Hazardous Fuels Reduction (HFR)] Program.

Action Taken: As with Recommendation 1, documentation and guidelines for implementing Recommendation 2 were included in the “10-Year Strategy Implementation Plan.” In the section for Goal 3 – Restoration and Post-Fire Adapted Ecosystems, the strategy document identifies the following outcome under Part A: “Fire-adapted ecosystems are restored and maintained, using appropriate tools, in a manner that will provide sustainable environmental, social, and economic benefits.” One of the performance measures established to address this outcome, “Number and percent of acres treated to restore fire-adapted ecosystems which are moved toward desired conditions, and maintained in desired conditions,” addressed our recommendation requirements.

In addition, we noted that performance measurement data for 2004-2013 describe the total acres treated and the acres improved. These measures provide data to distinguish between initial fuels reduction and maintenance treatments. We therefore conclude that Recommendation 2 has been implemented.

Recommendation 3: Work with bureau program and budgetary staff to reduce the delay time between enactment of DOI’s appropriation and the availability of HFR funds to field offices.

Action Taken: The Assistant Secretary’s response to the Inspector General on March 28, 2006, listed the following actions that would be taken to implement Recommendation 3:

- The Director of the OWFC will work with Departmental and bureau budget and procurement staff to identify and resolve remaining questions by August 1, 2006.
- Supplementary guidance will be prepared and issued by September 1, 2006.

On February 21, 2008, the Department issued a closing memorandum for this recommendation, explaining the basic organization and process for the allocation of appropriated funds to the bureaus and reporting that “currently no problem exists in this area.” We concluded that the information and documentation provided with the Assistant Secretary’s closing memorandum only addressed the allocation of funds to the bureau level and did not sufficiently address our concerns with regard to making funds available to field offices in a timely manner.

As part of our current review, we obtained a copy of the November 6, 2006 supplementary guidance. This document urged bureau budget and finance offices, working with their counterparts at the regional and state levels, to take the necessary steps to ensure that hazardous fuels funds make it to the field level as early in the fiscal year as possible to take maximum advantage of the prime fuels treatment window and to facilitate the timely and efficient implementation of fuels treatments. Based on our review of the available documentation, we conclude that Recommendation 3 has been implemented.

Recommendation 4: Fully use the program management flexibility provided by Congress through no-year appropriations to provide contracting continuity within fiscal years to conduct a balanced HFR Program.

Action Taken: The Assistant Secretary’s response said that each bureau director would be asked to provide a plan to assure that contracts were issued throughout the fiscal year. The plans would be due August 1, 2006. No plans, however, were provided with the memorandum closing this recommendation. The memorandum stated that the National Interagency Fuels Coordination Group had established consistent annual procedures to manage projects utilizing both regular appropriations and carry over funds, however, those procedures were also not provided with the closing of this recommendation.

As part of our current review, we requested copies of the bureau plans referenced in the response and the procedures mentioned in the closing memorandum. OWFC officials informed us that neither was available and provided alternative documentation on HFR planning. These documents included a memorandum dated October 24, 2012, from the Deputy Assistant Secretary informing bureau directors that under the 2013 Continuing Appropriations Resolution (CR), the Department would continue to emphasize an aggressive and comprehensive wildland fire program which would provide maximum flexibility to conduct HFR fuels treatments early in the fiscal year when conditions are often optimal for successfully accomplishing treatments. The memorandum emphasized that HFR activities undertaken within the Wildland Fire Management account can be funded under the CR and encouraged bureau program leadership, budget offices, and procurement offices to work with field offices to expedite funding for wildland fire program activities, including HFR treatments.

In addition, we were provided evidence that Wildland Fire Management funds were carried over from the prior year in each of fiscal years 2009 to 2014. Based on the information we received, we conclude that Recommendation 4 has been implemented.

Recommendation 5: Collaborate with USFS to implement either the established Agreement or an alternative solution to interagency coordination on fuels reduction that is consistent, equitable, and cost effective.

Action Taken: The Assistant Secretary's response to the report in March 2006 concurred with this recommendation and stated that the Director of OWFC would work with the Deputy Chief for the State and Private Forestry at USFS to resolve coordination and collaboration issues. If this attempt was unsuccessful, the Deputy Assistant Secretary for Business Management and Wildland Fire would address the matter with the Deputy Under Secretary for Natural Resources at the United States Department of Agriculture (USDA). In documentation provided by PFM with the October 2009 closure memorandum, the Office of Wildland Fire Coordination stated that they would continue to operate under the same agreement that was in place at the time we conducted our audit. The documentation provided with the closure memorandum did not demonstrate any attempt to work with USDA to resolve the coordination and collaboration issues.

As part of our current review, we asked OWFC for additional documentation to support the implementation of this recommendation. OWFC officials stated that a new agreement was signed and implemented in 2010 and provided a copy of that document which states:

Any endeavor involving reimbursement or contribution of funds between or among the parties to this Agreement will be handled in accordance with applicable laws, regulations, and procedures. The services requested and provided will be outlined in separate agreements or other appropriate arrangements that shall be made in writing by representatives of the involved agencies and shall be independently authorized by appropriate statutory authority and signatures.

The agreement was signed by Bureau of Land Management, U.S. Forest Service, Bureau of Indian Affairs, Fish and Wildlife Service, and National Park Service Directors and was effective on May 6, 2010. After reviewing the new agreement, we conclude that Recommendation 5 has been implemented.

Conclusion

We informed OWFC officials of the results of this review. OWFC officials agreed with our results and declined to have an exit conference. In addition, we informed PFM of the results on July 23, 2014.

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

cc: Paul Steblein, Deputy Director, Policy & Budget, Office of Wildland Fire
Alex Lampros, Liaison Officer, Office of Financial Management