



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, DC 20240

AUG 20 2007

To: Secretary Kempthorne

From: Earl E. Devaney
Inspector General

Subject: Critical Point Evaluation - National Park Service Centennial Initiative

We were pleased to have the opportunity to brief you on the Office of Inspector General (OIG) Critical Point Evaluation (CPE) of the National Park Service (NPS) Centennial Initiative (CI), and were heartened to hear your continuing support of our early involvement in this effort. During that briefing, we identified two areas of particular import - the establishment of a Centennial Independent Review Board (CIRB) and the development of a Business Plan to implement the Centennial Initiative. We discuss each of these in more detail, below.

Subsequent to our meeting with you, we briefed the NPS Director and members of her CI team, all of whom were both interested in and receptive to the ideas we presented. In addition to copying them on this memorandum, we will continue to provide assistance to the NPS Centennial Team regarding the CIRB and Business Plan, as well as in other areas, as needed.

Centennial Independent Review Board

We envision the CIRB as being an autonomous advisory body to the NPS Director and you in the following essential areas:

- Independent review and approval of requests for distribution of all federal CI Funds to "matching" funds from the private sector.
- Oversight of the internal controls over CI projects.
- Adjudicate the value of potential in-kind donations.

Members of the CIRB should have substantial background and expertise in finance and/or organizational management. The members should be drawn from government, business and/or private philanthropic organizations. We recommend that the CIRB be structured as follows:

- 1 - Rotating Foundation/Friends Group Member (2-year term)
- 2 - Standing NPS Members
- 1 - Standing Department of the Interior Member
- 1 - Independent Member from the business and/or philanthropic community
- 1 - Non-voting, advisory Member from the OIG

The CIRB should meet on a regular basis, at least quarterly, to address issues on pending CI projects and donations. One of the standing, voting members should be designated as Chair to manage the CIRB's operations and records. Administrative support for the CIRB should be provided by NPS. The CIRB should receive information in advance of each meeting in a standard format, that contains all the details about any pending CI project necessary for the Board's meaningful consideration. Appropriate NPS officials and partner project sponsors who are knowledgeable about pending CI projects should be available to the Board at every meeting, to answer questions as they arise.

The CIRB, in turn, should produce concise written summaries of its reviews, including issues and concerns that stakeholders may overlook, to ensure transparency and consistency. Although non-binding, such summaries would become a part of the record for a given CI project.

Elements of a Business Plan

Following the NPS Centennial Initiative Strategic Plan, a detailed Business Plan must be developed to ensure that the necessary business processes are in place to successfully implement the CI. The Business Plan must detail individual responsibilities, procedures, time frames and resources necessary to accomplish identified goals. Although the Business Plan may include other areas, we have identified the following as crucial:

- Organizational Structure and Processes
 - Overall management of CI program
 - Structure - centralized/decentralized
 - Process to obtain organizational buy-in
 - Roles and responsibilities of CI project partners
 - Process for approval of projects
 - Mechanism to ensure completion of projects
 - Role and responsibilities of CIRB
- Financial Management
 - Establish CI financial management systems requirements (FBMS, FFS, Foundation Based?)
 - Establish internal controls over release of matching funds
 - Develop capacity for prompt, accurate financial reports (daily, weekly, monthly, and quarterly?)
 - Establish a prompt, accurate mechanism to track funding

- Human Resources Management
 - Determine necessary staffing to handle increased demand for contracting, legal support, training and other areas
 - Staff location - centralized/decentralized
 - Develop interim human capital strategy to assign existing employees to CI projects, including impact on other programs
 - Develop human capital strategy to recruit, hire and train new employees
 - Determine funding sources for new hires
- Training
 - Develop a CI training curriculum
 - Develop a delivery strategy
 - Establish partners' role in training effort
- Program Metrics and Feedback
 - Establish performance measures tied to the Strategic Plan and Goals
 - Develop processes to collect and compile predominance data for reporting
 - Develop an internal control review program and establish frequency of such reviews

At this time, I have asked the OIG CPE team to step back and give NPS an opportunity to establish the CIRB structure and develop its Business Plan. In Fiscal Year 2008, we will initiate another CPE to review their progress and offer additional suggestions. Please let me know if you have any questions or would like additional information.

cc: Mary Bomar