



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

REVIEW OF RECOMMENDATIONS FOR THE REPORT, *OFFSHORE OIL AND GAS PERMITTING, U.S. DEPARTMENT OF THE INTERIOR (CR-EV-BSEE-0006-2013)*



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SEP 30 2019

Memorandum

To: Tonya R. Johnson
Deputy Chief Financial Officer
Director of the Office of Financial Management

From: Amy R. Billings *Amy R. Billings*
Central Region Manager for Audits, Inspections and Evaluations

Subject: Verification Review – Recommendations for the Report, *Offshore Oil and Gas Permitting, U.S. Department of the Interior* (Report No. CR-EV-BSEE-0006-2013)
Report No. 2019-CR-048

The Office of Inspector General (OIG) has completed a verification review of eight recommendations presented in the subject report. The objective of this review was to determine whether the Bureau of Safety and Environmental Enforcement (BSEE) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. The PFM reported to us that it closed the recommendations. We concur that all the recommendations have been resolved and implemented.

Background

Our report, *Offshore Oil and Gas Permitting, U.S. Department of the Interior*, dated September 30, 2014, made nine recommendations designed to enhance management of the offshore oil and gas permitting program. The BSEE Director concurred with the report's recommendations in a memorandum dated September 15, 2014, and detailed BSEE's plans to implement them. In an October 23, 2014 memorandum, we referred eight of the nine recommendations to the Director of the Office of Financial Management to track their implementation. We did not refer Recommendation 7 because we considered it closed as of the date of report issuance, based on BSEE's response.

Scope and Methodology

The scope of this review was limited to determining whether BSEE implemented the recommendations we reported. To accomplish our objective, we reviewed the supporting documentation BSEE provided to the PFM and collected and reviewed additional supporting documentation from BSEE. We did not perform internal control testing, site visits, or conduct fieldwork to determine whether the underlying deficiencies we initially identified have been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, or

Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Our current review found that BSEE implemented all eight recommendations.

Recommendation 1: Update, create, and maintain offshore permitting policies and procedures within the Office of Offshore Regulatory Programs to assist engineers in carrying out their responsibilities for permit reviews. At a minimum, these policies and procedures should address:

- Required permit reviews, such as the APD [application for permit to drill] completeness checks review and the district drilling engineering review
- Documentation for permit reviews (how they are to be completed and maintained)
- After-hours calls documentation and reconciliation
- Review, approval, and tracking of both departures and alternate compliances

Action Taken: BSEE tasked teams comprised of subject matter experts across its headquarters offices and the regions with collecting and inventorying existing permitting and inspection policies. The teams reviewed and approved approximately 170 policies and procedures that currently make up the permitting and inspection handbook. Specifically, several of the policies in the handbook cover procedures related to permit reviews, such as how to complete a review and how to maintain documentation. The handbook also includes policies on handling after-hours calls as well as the review, approval, and tracking of departures and alternate compliances. BSEE made the handbook accessible to staff through its Catalog and Review System (CARS), an electronic repository administered by BSEE headquarter offices.

Recommendation 2: Create a business rule in eWell that will not allow a permit to be approved without the required reviews being completed.

Action Taken: BSEE modified the business rule in eWell to require action by a supervisory engineer to confirm that all reviews and evaluations have been completed. Permits cannot be approved in the eWell system without a supervisory engineer verifying that this requirement was met.

Recommendation 3: Implement the proper delegation of authority for senior engineers (GS-13s) and section chiefs to approve permits in accordance with 30 C.F.R. part 250.

Action Taken: In October 2014, the BSEE Director issued a memorandum delegating senior engineers the authority to approve permits pursuant to 30 C.F.R. part 250. BSEE also included the delegation in the *Program Delegations Handbook*, finalized in August 2016.

Recommendation 4: Develop a strategy so that CARS includes all offshore permitting policies and procedures.

Action Taken: BSEE assessed existing permitting policies and procedures in order to create collective permitting and inspection handbooks. Additionally, as new policies are developed in the Data Tracking System (DTS), BSEE's business rules in DTS, such as pre-defined routing codes help ensure permitting policies, are routed to CARS after an internal review process. We suggest that BSEE consider documenting the process developed for this recommendation to ensure that CARS routing codes are always added to applicable policies and document the responsibilities of directive reviewers, as they relate to verifying routing codes.

Recommendation 5: Train BSEE employees to use CARS and DTS to ensure permitting policies and procedures are communicated to the employees using them.

Action Taken: By the end of fiscal year (FY) 2015, BSEE compiled all permitting inspection policies and procedures in CARS to provide an electronic handbook for staff use. During FYs 2015 and 2016 respectively, BSEE provided training to staff on how to use DTS and CARS. Additionally, BSEE created an online version of the CARS training that is now available for staff to review as needed on BSEE's intranet site. BSEE also developed user guides for CARS and DTS and distributed them to staff.

Recommendation 6: Implement a quality assurance process for permitting activities to ensure consistency throughout BSEE.

Action Taken: In February 2018, BSEE implemented a quality assurance assessment process for permitting activities to ensure consistency of review and decision-making practices throughout BSEE. The reviews focus on the established permitting process, to include the consistency, timeliness, and efficiency of the process. An initial review is conducted on each permit type, and the Chief of BSEE's Office of Offshore Regulatory Programs OORP or a designee will determine any subsequent reviews, as needed.

Recommendation 8: Monitor and track all training to ensure that training requirements, including training hours, are met and that all training is recorded.

Action Taken: In March 2014, BSEE established procedures to ensure training requirements are met. These procedures include the use of spreadsheets to track training, as well as suggesting supervisors review DOI Talent transcripts to ensure employees have met training requirements. BSEE records training hours via Office of Personnel Management Standard Form 182, which is also uploaded into DOI Talent.

Recommendation 9: Implement eWell, as well as the updated system, ePermits, throughout its regions.

Action Taken: In March 2014, BSEE deployed its electronic permit system, eWell, across all regions. Additionally, BSEE deployed ePermits modules uniformly across its offices. For example, as of September 2018, BSEE successfully deployed functionality for the submission of oil spill response plans and Safety and Environmental Management Systems plans.

Conclusion

We conclude that Recommendations 1 through 6, 8, and 9 are resolved and implemented. We informed BSEE officials of the results of this review on September 11, 2019.

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