



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

RECOMMENDATIONS FOR THE REPORT
U.S. DEPARTMENT OF THE INTERIOR'S
CLIMATE SCIENCE CENTERS
(No. ER-IN-GSV-0003-2014)




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Memorandum

SEP 18 2018

To: Allen Lawrence
Division Chief, Internal Control and Audit Follow-Up
Office of Financial Management

From: Nicki Miller 
Regional Manager

Subject: Verification Review – Recommendations for the Report *U.S. Department of the Interior's Climate Science Centers* (Report No. ER-IN-GSV-0003-2014)
Report No. 2018-ER-047

The Office of Inspector General (OIG) has completed a verification review of eight recommendations presented in the subject report (Recommendations 1 and 3 – 9). Our objective was to determine whether the U.S. Geological Survey (USGS) implemented these recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. The PFM reported to us that it had closed these recommendations in 2016. Based on our review, we concur that Recommendations 1 and 3 – 9 are resolved and implemented.

Background

Our August 2015 audit report *U.S. Department of the Interior's Climate Science Centers* made nine recommendations designed to help the USGS strengthen the management of grants and cooperative agreements associated with climate adaptation science centers, or CASCs (formerly climate science centers¹). Based on the USGS response to our draft report, we considered Recommendation 2 resolved and implemented. In a September 11, 2015 memorandum, we referred the remaining eight recommendations to the Principal Deputy Assistant Secretary for Policy, Management and Budget to track their implementation.

Scope and Methodology

We limited the scope of this review to determining whether the USGS implemented Recommendations 1 and 3 – 9. To accomplish this objective, we reviewed official correspondence and documentation related to the actions that the USGS has taken to implement each recommendation.

¹On March 23, 2018, with the passage of the fiscal year 2018 budget, the program name was changed from the Climate Science Centers (CSCs) to the Climate Adaptation Science Centers (CASCs). See <https://casc.usgs.gov/content/new-name-same-mission> for more information.

We did not test internal controls, conduct site visits, or perform fieldwork to determine whether the USGS corrected the underlying deficiencies that we initially identified. 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 the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

We found that the USGS has resolved and implemented Recommendations 1 and 3 – 9.

Recommendation 1: Ensure that public notice and competition are conducted in accordance with applicable laws, regulations, and DOI [U.S. Department of the Interior] guidance.

Actions Taken: The USGS revised the program announcement in 2016 to comply with applicable laws and regulations and DOI guidance. The announcement was for a full competition award and was posted on Grants.gov on January 8, 2018, with an application deadline of April 9, 2018.

Based on our review, we determined that the requirements for Recommendation 1 were met, and we agree this recommendation is resolved and implemented.

Recommendation 3: Limit use of sole-source awards to increase competition and transparency, or provide appropriate, supportable justification.

Actions Taken: The USGS implemented its Acquisition Operating Procedures for Financial Assistance Single Source Awards on March 1, 2015, which require that before issuing a sole-source award for \$25,000 or more, the USGS must publish a Notice of Intent to Award in the Federal Register or on Grants.gov and prepare written justification and document the file to explain why competition is not practicable, including a statement of the criteria used to justify the sole-source action. This policy was updated on August 9, 2017, and is available to all USGS staff. The USGS also provided the OIG examples of sole-source awards posted in fiscal year (FY) 2018 and the justification that accompanies the award file.

Based on our review, we determined that the requirements for Recommendation 3 are being met, and we agree this recommendation is resolved and implemented.

Recommendation 4: Institute and appropriately document the use of the DOI financial assistance agreement review sheet or develop a bureau-level equivalent.

Actions Taken: The USGS revised its Acquisition Operating Procedures for Acquisition and Financial Assistance Award Files to include the DOI financial assistance agreement review sheet, with an effective implementation date of July 1, 2016. This policy document is available to all USGS staff. The USGS also provided the OIG examples

from FY 2018 that show the financial assistance agreement review sheet is being used by USGS officials.

Based on our review, we determined that the requirements for Recommendation 4 are being met, and we agree this recommendation is resolved and implemented.

Recommendation 5: Institute a second-level review process to ensure accuracy and completeness of award files.

Actions Taken: The USGS provided the OIG example award checklists used during FY 2018 that show second-level reviews are being performed by USGS officials. These review sheets ensure that the awarding official has reviewed the accuracy and completeness of award files prior to release. The USGS Acquisition Operating Procedures for Review of Acquisition and Financial Assistance Actions requires second-level review of all financial assistance actions prior to obligation. This policy was issued February 1, 2016, was updated August 18, 2017, and is available to all USGS staff.

Based on our review, we determined that the requirements for Recommendation 5 are being met, and we agree this recommendation is resolved and implemented.

Recommendation 6: Ensure that appropriate risk assessment determinations are performed and accurately documented in the award file and, where applicable, that proper notifications are made and documented.

Actions Taken: The USGS updated its Acquisition Operating Procedures for Financial Assistance Monitoring Protocol to include a process for reviewing risk assessment checklists. This policy document was effective May 1, 2014, updated most recently on March 30, 2017, and is available to all USGS staff. The USGS also provided the OIG evidence from FY 2018 that risk assessments are being performed and accurately documented in the award files.

Based on our review, we determined that the requirements for Recommendation 6 are being met, and we agree this recommendation is resolved and implemented.

Recommendation 7: Ensure that risk assessments are performed not only for institutions but also for principal investigators, in accordance with 2 C.F.R. § 180.425.

Actions Taken: The USGS issued its Acquisition Operating Procedures for Excluded Parties List for Financial Assistance on December 23, 2015. This policy document requires that an exclusion check be performed for both the institutions and the individuals named on an award (i.e., the principal investigators and the individual signing the award). The policy specifically points out the requirements of 2 C.F.R. § 180 and is available to all USGS staff. The USGS updated this policy and renamed it Acquisition Operating Procedures for Pre-Award Eligibility Screening for Financial Assistance on January 5, 2017. The USGS also provided the OIG evidence from FY 2018 that risk assessments are being performed.

Based on our review, we determined that the requirements for Recommendation 7 are being met, and we agree this recommendation is resolved and implemented.

Recommendation 8: Develop or acquire more training for USGS staff who oversee and manage grants.

Actions Taken: The USGS provided the OIG the syllabus for training entitled “Federal Grants Update 2016,” which focused on Federal grants management, specifically the Uniform Guidance (2 C.F.R. § 200). The USGS submitted to the PFM a list of 24 employees who manage and oversee grants who attended the training on March 8, 2016.

Based on our review, we determined that the requirements for Recommendation 8 were met, and we agree this recommendation is resolved and implemented.

Recommendation 9: Institute closer coordination between USGS and host-site university personnel responsible for oversight of subawards pertaining to climate science center activities.

Actions Taken: The USGS provided the PFM with documentation of a meeting that took place in March 2016 with USGS senior staff and host-site university staff, where officials discussed various topics including the re-competition of host agreements. The USGS also provided documentation to the OIG of (1) a May 2018 meeting of USGS senior staff and host-site university staff, where officials discussed topics such as the status of agreements and anticipated dates of release of funding and (2) a September 2017 meeting involving USGS and host-site university officials, at which officials discussed budgets and strategic plan updates, among other topics.

Based on our review, we determined that the requirements for Recommendation 9 are being met, and we agree this recommendation is resolved and implemented.

Conclusion

We conclude that Recommendations 1 and 3 – 9 are resolved and implemented. We informed USGS officials of the results of this review on August 23, 2018.

We would like to thank the USGS and the PFM for providing information that we requested during our review. If you have any questions concerning this memorandum, please contact me at 202-208-5745.

cc: James Reilly, USGS Director
Scott Morton, Chief, USGS Office of Acquisition and Grants
Janet Cushing, Acting Chief, of the Pacific Islands Climate Adaptation
Science Center
Nancy Thomas, PFM

Alexandra Lampros, PFM
Rebecca Bageant, Audit Liaison for the USGS
Robert Leach, Budget Analyst for the USGS

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