



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

**RECOMMENDATIONS FOR THE  
MANAGEMENT ADVISORY TITLED  
*ISSUES IDENTIFIED DURING OUR AUDIT  
OF INTERIM COSTS CLAIMED BY COASTAL  
ENVIRONMENTAL GROUP, UNDER  
CONTRACT NOS. INF13PC00214 AND  
INF13PC00195 WITH THE U.S. FISH AND  
WILDLIFE SERVICE  
(X-CX-FWS-0003-2014)***




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SEP 30 2019

Memorandum

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

From: Christopher Stubbs   
Director, Office of Financial and Contract Audits

Subject: Verification Review – Recommendations for the Management Advisory Titled  
*Issues Identified During Our Audit of Interim Costs Claimed by Coastal  
Environmental Group, Under Contract Nos. INF13PC00214 and INF13PC00195  
With the U.S. Fish and Wildlife Service (X-CX-FWS-0003-2014)*  
Report No. 2019-FIN-061

The Office of Inspector General (OIG) has completed a verification review of the two recommendations presented in the subject report. Our objective was to determine whether the U.S. Fish and Wildlife Service (FWS) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. On November 9, 2016, the PFM reported to us that it had closed Recommendation 1, and on June 29, 2017, the PFM reported that it had closed Recommendation 2. We concur that the recommendations have been resolved and implemented.

**Background**

Our May 2016 management advisory titled *Issues Identified During Our Audit of Interim Costs Claimed by Coastal Environmental Group, Under Contract Nos. INF13PC00214 and INF13PC00195 With the U.S. Fish and Wildlife Service* made two recommendations to ensure effective oversight of contracts through improved pre-award assessments of potential contractors and strengthened internal controls over post-award monitoring and recordkeeping.

The FWS responded to our draft report on May 25, 2016, partially concurring with Recommendation 1, concurring with Recommendation 2, and detailing the FWS' plans to implement corrective actions. Based on the FWS' response, we considered both recommendations resolved but not implemented. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget to track their implementation.

**Scope and Methodology**

The scope of this review was limited to determining whether the FWS implemented the recommendations as reported to us. To accomplish our objective, we reviewed the PFM's documentation supporting its closure of both recommendations. We also reviewed additional documentation provided by the FWS. We did not perform internal control testing, site visits, or

conduct fieldwork to determine whether the underlying deficiencies that were initially identified had 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 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 FWS implemented corrective actions for both recommendations.

**Recommendation 1:** Develop and implement an improved process for conducting pre-award assessments of potential contractors.

**Action Taken:** The FWS implemented requirements of DOI Acquisition, Assistance, and Asset Policy (AAAP) numbers DOI-AAAP-0039, -0043, -0050, and -0075, which increased review and monitoring of subcontractor reporting, pre-award screening, and bureau procurement chief review. The FWS also revised its supervisor Pre-Award Review Form to include a checklist of pre-award review items. The FWS incorporated the policy requirements and the updated form in the *FWS Contracting Officer's Handbook* and communicated the changes to staff.

**Recommendation 2:** Strengthen internal controls over post-award monitoring, particularly the monitoring and recordkeeping of a contract's supporting documentation, such as invoices, equipment lists, and timesheets.

**Action Taken:** The FWS implemented the mandatory DOI eFile system, which allows contracting personnel to more effectively monitor contracts. The FWS also developed and implemented the Invoice Review Checklist to monitor payments and performance for time-and-materials contracts. The FWS incorporated these requirements in the *FWS Contracting Officer's Handbook* and communicated them to staff.

## **Conclusion**

We informed FWS officials of the results of this review on September 9, 2019. They concurred with our findings.

If you have any questions about this verification review, please contact me at 202-208-5745.

cc: Andrea Brandon, Deputy Assistant Secretary for Budget, Finance, Grants and Acquisition  
Allen Lawrence, Division Chief, Internal Control and Audit Follow-Up, Office of Financial Management  
Nancy Thomas, Audit Liaison, Office of Financial Management  
Sharon Blake, FWS Liaison, Office of Financial Management  
Kathy Garrity, Audit Liaison Officer, U.S. Fish and Wildlife Service

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