

Part 4.
Appendices
(Unaudited-See
Auditors' Report)

Improper Payments Information Act Reporting Details

Description of the Risk Assessment Process

Interior's supplemental Management Control Guidance for FY 2005 issued November 22, 2004, required managers to conduct risk assessments of all programs (meeting OMB's definition of "program") over \$100 million in planned annual outlays to determine if any of these programs were risk-susceptible for making significant improper payments. In FY 2004, the first year under the Improper Payments Information Act, Interior's efforts were considerably more intense, i.e., all programs were reviewed and in addition to risk assessments, Departmental Functional Reviews were conducted by various types of payments. Please refer to the FY 2004 Performance and Accountability Report for additional information on last year's review. As a result of the initial reviews conducted in FY 2004, no programs were determined to be risk-susceptible for making significant improper payments based on the threshold set by OMB. As a result, OMB permitted Interior to review those programs in excess of \$100 million for FY 2005.

Recovery Audits

Toward the end of FY 2003, the Department selected PRG Schultz to perform recovery audit services. PRG Schultz started working with the Office of the Secretary and performed a pilot effort to set up its program. By the end of FY 2004, all bureaus of the Department had issued a Task Order engaging PRG Schultz to perform recovery auditing services. In FY 2005, all of the Department's bureaus performed recovery audits. *Table 4-1* summarizes Interior's recovery audit activities since inception.

TABLE 4-1

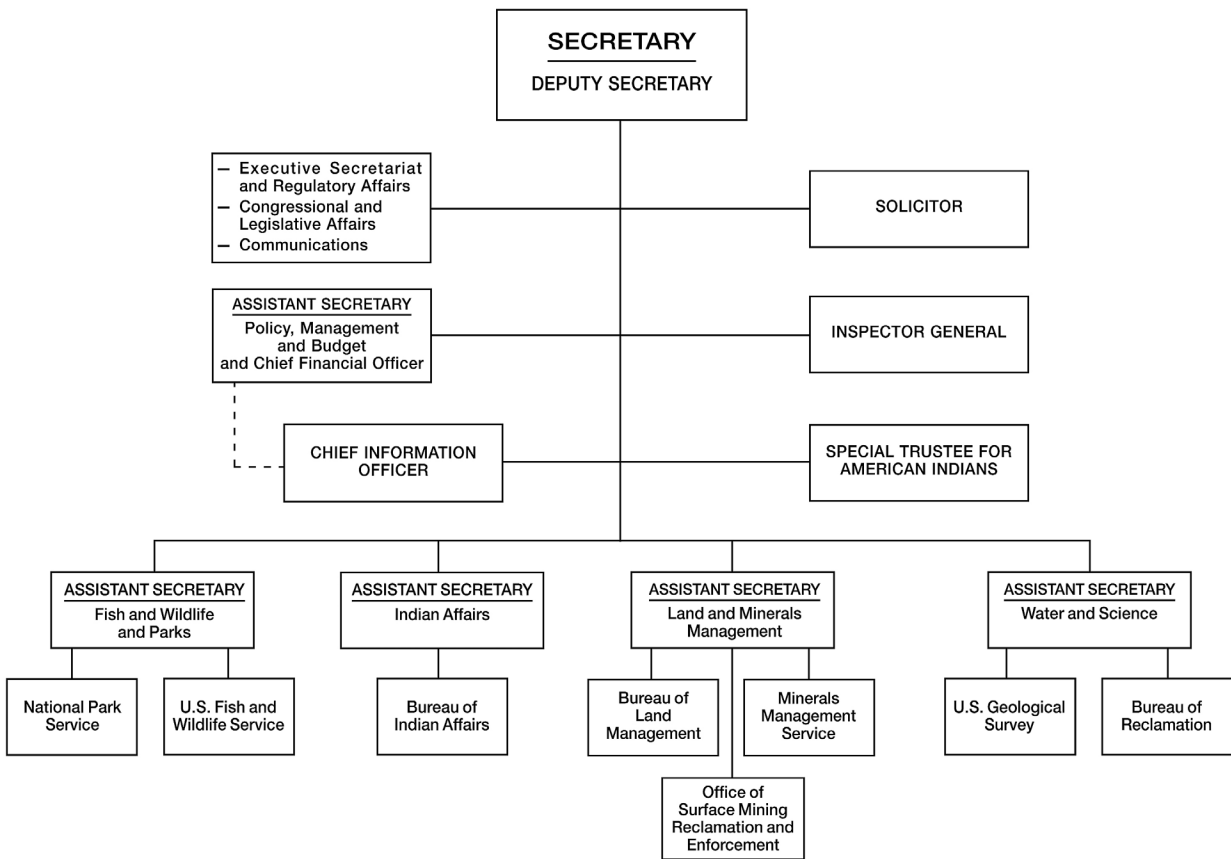
FY 2005 Recovery Audit Activities							
Amount of Payment Errors	Amount Deemed Not Recoverable	Amount Recovered	Amount Pending Resolution	Found by Internal Agency	Found by Recovery Auditor	Agency Costs	Amount Earned by Contractor
\$1,548,620	\$1,169,309	\$195,479	\$183,834	Not tracked	\$195,479	Not tracked but very minimal	\$39,096

Conclusion

The result of the risk assessments performed in FY 2005 reaffirmed that none of the programs reviewed pose a high-risk of making significant improper payments. (A summary of the programs reviewed can be found in the Management Discussion and Analysis portion of this report.) Moreover, PRG Schultz has found that the incidence of improper payments identified through its recovery audit efforts are far less at Interior than experienced through its work in the private sector. Interior's rate of improper payments thus far is 0.0001% and PRG's experience with the private sector is between .05% to .10% of the audit basis. This evidence speaks well for Interior's internal controls over payment processes. Having said that, Interior will continue to use all cost effective means to keep improper payments to a minimum and pursue recovery when an improper payment is identified.

FIGURE 4-1

U.S. Department of the Interior



Glossary of Acronyms

A&B	Administrative and Budget
AAC	Annual Allowable Cut
ABC/M	Activity Based Cost Management
ABC/PM	Activity-Based Costing/Performance Management
ADMS	Accessibility Data Management System
AFMSS	Automated Fluid Mineral Support System
AHERA	Asbestos Hazard Emergency Response Act
ALJ	Administrative Law Judge
AMAR	Administrative Management Assistance Review
AMCR	Alternate Management Control Review
AML	Abandoned Mine Land
AMLIS	Abandoned Mine Land Inventory System
AMP	Asset Management Plan
AMR	Acquisition Management Review
ANCS	Automated National Catalog System
APA	American Planning Association
APD	Applications for Permit to Drill
ARIS	Air Resources Information System
ARTF	Aquatic Resources Trust Fund
ASG	American Samoa Government
ASMIS	Archeological Sites Management Information System
ATO	Authority to Operate
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
BOR	Bureau of Reclamation
BPA	Bonneville Power Administration
BPA	Blanket Purchase Agreement
BPTL	Business Process Transformation Lab
C&A	Certification and Accreditation
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFO	Chief Financial Officer
CIO	Chief Information Officer
CLI	Cultural Landscapes Inventory
CMR	Charles M Russell
COTS	Commercial Off-the-Shelf Software
CPIC	Capital Planning and Investment Control
CRPP	Cultural Resource Preservation Program
CRV	Current Replacement Value
CSRS	Civil Service Retirement System
CUPCA	Central Utah Project Completion Act
CUWCD	Central Utah Water Conservancy District
CWA	Clean Water Act
DAA	Designated Approving Authorities
DART	Deep-Ocean Assessment and Reporting of Tsunami
DCIA	Debt Collection Improvement Act
DEAR	Department Enterprise Architecture Repository
DEIS	Safety of Dams Decision Reports
DEQ	Division of Environmental Quality
DFR	Departmental Functional Review
DHS	Department of Homeland Security
DOD	Department of Defense
DOE	Department of Energy
DOL	Department of Labor
DOT	Department of Transportation

EA	Enterprise Architecture
ECL	Environmental Cleanup Liability
EFC	Environmental and Facility Compliance
EIA	Energy Information Agency
EIRF	Environmental Improvement and Restoration Fund
EPA	Environmental Protection Agency
ESA	Endangered Species Act
ESN	Enterprise Services Network
ESP	Environmental Studies Program
EVM	Earned Value Management
FACE	Family and Child Education
FAIMS	Federal Assistance Information Management System
FAMS	Facilities Asset Management System
FannieMae	Federal National Mortgage Association
FAR	Federal Acquisition Regulations
FASAB	Federal Accounting Standards Advisory Board
FBMS	Financial and Business Management System
FBU	Funds Put to Better Use
FCI	Facilities Condition Index
FECA	Federal Employees Compensation Act
FEGLI	Federal Employees Group Life Insurance
FERC	Federal Energy Regulatory Commission
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFS	Federal Financial System
FIRES	Fire Integrated Recruitment and Employment System
FISMA	Federal Information Security Management Act
FMCIP	Financial Management Career Intern Program
FMFIA	Federal Managers' Financial Integrity Act
FMIS	Facilities Management Information System
FMS	Facility Management System
FMSS	Facility Management Software System
FRR	Facilities Reliability Rating
FSM	Federated States of Micronesia
FTE	Full-Time Equivalent
FTM	Fiduciary Trust Model
FWS	Fish and Wildlife Service
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	General Accountability Office
GED	General Equivalency Diploma
GMRA	Government Management Reform Act
GPRA	Government Performance and Results Act
GSA	General Services Administration
HabITS	Habitat Information Tracking System
HPF	Historic Preservation Fund
ICS	Incident Command System
IEA	Interior's Enterprise Architecture
IFF	Interior Franchise Fund
IGET	Intra-Governmental Eliminations Taskforce
IIM	Individual Indian Monies
IMARS	Incident Management, Analysis, and Reporting System
IPIA	Improper Payments Information Act
IRB	Investment Review Board
IRR	Indian Reservation and Roads
IRRBP	Indian Reservation Roads Bridge Program
ISEP	Indian School Equalization Program

IT	Information Technology
JFMIP	Joint Financial Management Improvement Program
JOM	Johnson-O'Malley
LBA	Lease Backlog Applications
LCS	List of Classified Structures
LSA	Litigation Support Accounting
LWCF	Land and Water Conservation Fund
MAF	Million Acre Feet
MBT	Methodology for Business Transformation
MCR	Management Control Review
MIS	Management Information System
MITS	Management Initiatives Tracking System
MMBF	Million Board Feet
MMS	Minerals Management Service
MRE	Meals-Ready-to-Eat
MRM	Minerals Revenue Management
MRMSS	Minerals Revenue Management Support System
NAPA	National Academy of Public Administration
NAS	National Academy of Sciences
NBC	National Business Center
NEP	National Energy Policy
NEPA	National Environmental Policy Act
NFHI	National Fish Habitat Initiative
NFPORS	National Fire Plan Operations and Reporting System
NFR	Notice of Findings and Recommendations
NIFC	National Interagency Fire Center
NIGC	National Indian Gaming Commission
NIST	National Institute of Standards and Technology
NOAA	National Oceanic and Atmospheric Administration
NPS	National Park Service
NRDAR	Natural Resource Damage Assessment and Restoration Fund
NRPP	Natural Resource Preservation Program
NSLRSDA	National Satellite Land Remote Sensing Data Archive
NWI	National Wetlands Inventory
OCIO	Office of the Chief Information Officer
OCS	Outer Continental Shelf
OCSLA	Outer Continental Shelf Lands Act
OFMC	Office of Facility Management and Construction
OHA	Office of Hearings and Appeals
OHTA	Office of Historical Trust Accounting
OIA	Office of Insular Affairs
OIEP	Office of Indian Education Programs
OIG	Office of Inspector General
OMB	Office of Management and Budget
OMM	Onshore Minerals Management
OPA	Oil Pollution Act
OPM	Office of Personnel Management
OSFR	Oil Spill Financial Responsibility
OSHA	Office of Safety and Health Administration
OSLTF	Oil Spill Liability Trust Fund
OSM	Office of Surface Mining
OSR	Oil Spill Research
OST	Office of the Special Trustee for American Indians
OWFC	Office of Wildland Fire Coordination
PAM	Office of Acquisition and Property Management
PAR	Performance and Accountability Report

PART	Program Assessment Rating Tool
PFM	Office of Financial Management
PI/LSI	Possessory Interest or Leasehold Surrender Interest
PLE	Office of Law Enforcement
PMA	President's Management Agenda
PMD	Performance Management Data
PMDS	Performance Management Data System
POA&M	Plan of Actions and Milestones
PP&E	Property, Plant, and Equipment
R&D	Research and Development
RAPP	Refuges Annual Performance Plan
RCRA	Resource Conservation and Recovery Act
REA	Recreation Enhancement Act
RIK	Royalty-in-Kind
RMIS	Recreation Management Information System
RSSI	Required Supplementary Stewardship Information
SACAT	Standard Accounting Classification Advisory Team
SAR	Significant Activity Report
SFBPC	Sport Fishing and Boating Partnership Council
SBR	Statement of Budgetary Resources
SDWA	Safe Drinking Water Act
SES	Senior Executive Service
SFFAS	Statement of Federal Financial Accounting Standards
SFRA	Sport Fish Restoration Account
SGL	Standard General Ledger
SMIS	Safety Management Information System
SNPLMA	Southern Nevada Public Land Management Act
SPR	Strategic Petroleum Reserve
STIGS	Security Technical Implementation Guides
STORET	Storage and Retrieval
TAAMS	Trust Asset and Accounting Management System
TBCC	Trust Beneficiary Call Center
TFAS	Trust Funds Accounting System
TSIS	Timber Sale Information System
TSU	Tribal Colleges and Universities
UMWA CBF	United Mine Workers of America Combined Benefit Fund
USBM	U.S. Bureau of Mines
USCERT	U.S. Computer Emergency Readiness Team
USGS	U.S. Geological Survey
USPAP	Uniform Standards for Professional Appraisal Practices
USPP	U.S. Park Police
V&V	Validation and Verification
VSP	Visitor Services Project
WASC	Western Administrative Service Center
Western	Western Area Power Administration, AKA WAPA
WSU	Weighted Student Units
WUI	Wildland Urban Interface

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Department of the Interior
Office of Financial Management
Mail Stop 5412
1849 C Street, N.W.
Washington, D.C. 20240
(202) 208-6295
