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REPORT
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TO: Stanley McMichael
Associate Chief Financial Officer
Office of the Chief Financial Officer

FROM: Gil H. Harden
Assistant Inspector General for Audit

SUBJECT: Final Action Verification for Audit of Forest Service Wildland Fire Activities—
Hazardous Fuels Reduction

The Office of Inspector General (OIG) completed a final action verification of all 11 recommendations in our July 29, 2016, report on *Forest Service Wildland Fire Activities—Hazardous Fuels Reduction* (Audit Report 08601-0004-41). Final action verification determines whether the final action documentation the agency provides to the Office of the Chief Financial Officer (OCFO) supports the agency's management decision reached with OIG.^{1,2} Our objective was to determine whether the documentation Forest Service (FS) provided OCFO was sufficient to close the recommendations made in Audit Report 08601-0004-41.

In a memorandum dated September 6, 2017, OCFO reported to FS that it closed all of the recommendations, and we concur with this decision.

¹ *Final action* is the completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit report. DR 1720-001, 6g(1), Audit Follow-up and Management Decision (Nov. 2, 2011).

² *Management decision* is an agreement between agency management and OIG on the action(s) taken or to be taken to address a finding and recommendations cited in an audit report. The management decision must include the agreed-upon dollar amount affecting the recommendations and an estimated completion date unless all corrective action is completed by the time agreement is reached. DR 1720-001, 6i, Audit Follow-up and Management Decision (Nov. 2, 2011).

Background

Our report, *Forest Service Wildland Fire Activities—Hazardous Fuels Reduction*,³ made 11 recommendations to improve FS' processes for selecting projects and reporting accomplishments for hazardous fuels reduction treatments.

OIG and FS reached management decision on 10 recommendations in a memorandum dated August 5, 2016, and reached management decision on the last recommendation in a memorandum dated September 22, 2016. The memoranda detailed what actions FS needed to implement in order to achieve final action on the recommendations.

In accordance with Departmental Regulation (DR) 1720-001,⁴ OCFO has the responsibility to determine final action for recommendation(s) where OIG has agreed to management decision. As such, OCFO evaluates agency-provided documentation to support planned corrective actions and to determine if final action has occurred.

Scope and Methodology

The scope of this final action verification was limited to determining whether FS' plan of action for all 11 of the recommendations in the original audit report was completed in accordance with the management decisions reached on August 5, 2016, and September 22, 2016. To accomplish our objective, we reviewed documentation FS submitted to OCFO. We did not perform internal control testing or make site visits to determine whether the underlying deficiencies that were initially identified had been corrected. In addition, we did not provide an opinion on the results of the implementation or effectiveness of each recommendation. This final action verification was conducted in accordance with our internal guidance IG-7710, *Nonaudit Work and Final Action Verification Guidance and Procedures*. As a result, this final action verification was not conducted in accordance with *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 for Integrity and Efficiency. However, before we performed the non-audit service, we determined that it would not impair our independence to perform audits, inspections, attestation engagements, or any other future or ongoing reviews of the subject.

Results of Final Action Verification

We determined that FS provided sufficient documentation to OCFO to close the 11 recommendations we made in our July 29, 2016, audit report *Forest Service Wildland Fire Activities—Hazardous Fuels Reduction*. The table summarizes the actions FS took with respect to each recommendation.

We informed FS officials of the results of this final action verification.

³ Audit Report 08601-0004-41, *Forest Service Wildland Fire Activities—Hazardous Fuels Reduction* (July 29, 2016).

⁴ DR 1720-001, 7d(1-9), Audit Follow-up and Management Decision (Nov. 2, 2011).

Rec. No.	Recommendation	Action(s) Taken
1	Fully develop and implement the national risk assessment model for identifying and prioritizing hazardous fuels reduction projects on National Forest System lands.	To document the agency's action, FS provided copies of FS' General Technical Report RMRS-GTR-315, <i>A Wildfire Risk Assessment Framework for Land and Resource Management</i> (Oct. 2013), and documentation supporting a national risk assessment model.
2	Issue guidance to the regions on how to develop their own risk assessments consistent with the national risk assessment model to identify and prioritize hazardous fuels reduction projects.	FS provided documentation that it conducted workshops and meetings between the Washington Office and the regions, and cited guidance available to the regions about developing risk assessments. FS provided copies of FS' General Technical Report RMRS-GTR-315, <i>A Wildfire Risk Assessment Framework for Land and Resource Management</i> (Oct. 2013), and General Technical Report RMRS-GTR-350, <i>Risk Management: Core Principles and Practices, and their Relevance to Wildland Fire</i> (May 2016).
3	Require that all regions develop risk assessments that identify and prioritize hazardous fuels reduction projects.	FS provided a copy of a letter, dated Mar. 29, 2017, which it sent to the Regional Hazardous Fuels coordinators and an excerpt from the 2016 Final Program Direction it sent to all the regions. FS also provided a copy of <i>Forest Service Manual 5100, Chapter 5140, "Hazardous Fuels Management and Prescribed Fire"</i> (Aug. 2017), which it revised to include the recommended requirements.
4	Require the Washington Office to review and approve regions' risk assessments to ensure consistency with the national risk assessment model.	FS provided documentation describing Washington Office collaboration, involvement, oversight, review, and approval of regional risk assessments. FS also provided a copy of <i>Forest Service Manual 5100, Chapter 5140, "Hazardous Fuels Management and Prescribed Fire"</i> (Aug. 2017), which it revised to include the recommended requirements.
5	Require regions to formally document the project selection process.	FS provided a copy of a letter, dated March 29, 2017, sent by the Assistant Director for Landscapes and Partnerships to the Regional Hazardous Fuels coordinators; a copy of FS' General Technical Report RMRS-GTR-315, <i>A Wildfire Risk Assessment Framework for Land and Resource</i>

		<p><i>Management</i> (Oct. 2013); and a copy of General Technical Report RMRS-GTR-350, <i>Risk Management: Core Principles and Practices, and their Relevance to Wildland Fire</i> (May 2016). The decision-making process was discussed at the April 2017 annual Regional Hazardous Fuels Coordinators. FS also provided a copy of <i>Forest Service Manual</i> 5100, Chapter 5140, “Hazardous Fuels Management and Prescribed Fire” (Aug. 2017), which it revised to include the recommended requirements.</p>
6	<p>Develop and implement a formal review process to evaluate regions’ hazardous fuels project identification and prioritization processes implemented within their respective national forests.</p>	<p>FS has implemented a formal review process to evaluate regional applications of the Hazardous Fuels Program. FS believes that having Washington Office staff participate in Forest program reviews allows for learning and information exchange across all four administrative levels (Washington Office, Regional Office, Forest, and District). FS attached a <i>National Integrated Review Checklist Template</i> for project field review and an example final report from a field review conducted in 2016.</p>
7	<p>Implement a new tracking measure that will count and report acres treated for hazardous fuels reduction as an accomplishment only after the entire project has been completed and the desired condition is achieved.</p>	<p>To document the agency’s action, FS provided a copy of “<i>Hazardous Fuels Reduction Treatments Tracking and Accomplishment Reporting Requirements</i>” (Aug. 25, 2016), which includes new measures.</p>
8	<p>Modify the Forest Activity Tracking System (FACTS) so that it can accommodate a single entry for each hazardous fuels reduction project that records both the number of Wildland-Urban Interface (WUI) and non-WUI acres treated.</p>	<p>FS provided a copy of its “<i>Hazardous Fuels Reduction Treatments Tracking and Accomplishment Reporting Requirements</i>” (Aug. 25, 2016) document, which includes an updated spatial requirements section. FS also provided documentation that it added an item to its FACTS training curriculum.</p>
9	<p>Strengthen controls surrounding the review process to ensure that all information is timely and accurately entered into FACTS.</p>	<p>FS provided a copy of its “<i>Hazardous Fuels Reduction Treatments Tracking and Accomplishment Reporting Requirements</i>” (Aug. 25, 2016) document, which includes updated reporting requirements.</p>

10	Instruct all FS regions to comply with Handbook 6509.11g requiring that staff charge all costs to the FS program or activity on which work was performed.	FS provided a copy of an email sent to all FS employees on July 7, 2016, that communicated the importance of the charge-as-worked policy in <i>FS Handbook 6509.11g</i> . FS also provided documentation that compliance with <i>Handbook 6509.11g</i> was emphasized in a July 7, 2016 National Budget Conference call held with FS Policy and CFO staff in attendance.
11	Follow up with FS regions to ensure compliance with the prior recommendation.	FS provided a copy of an email sent to all FS employees on July 7, 2016, that communicated the importance of the charge-as-worked policy in <i>FS Handbook 6509.11g</i> . FS also provided documentation that compliance with <i>Handbook 6509.11g</i> was emphasized in a July 7, 2016, National Budget Conference call held with FS Policy and CFO staff in attendance. FS also provided a copy of <i>Forest Service Handbook 6509.11g Service-Wide Appropriation Use</i> , updated to provide clarification on the Work Financing Principle and employee time charges. FS provided training on the Work Financing Principle via various town halls. It also provided documentation that it scheduled compliance testing on employee time charging practices.

cc: Antoine (Tony) Dixon, Chief Financial Officer/OIG Audit Liaison Staff, FS

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