The Department of the Interior has made inroads in resolving some of the challenges we previously identified. However, several challenges have not been adequately addressed, and two new challenges have emerged—a deferred maintenance backlog and weaknesses in financial reporting.

- **Better management of ecosystem restoration efforts is needed.** Interior has taken steps to better manage ecosystem restoration efforts. It has adopted the National Fire Plan, identified the resources needed to restore the South Florida ecosystem, and issued a plan to control invasive species. However, more work is needed to address the growing wildland fire threat caused by the excessive fuel buildup; complete actions to improve the South Florida ecosystem restoration effort; and establish an agencywide goal to control and eradicate invasive species.

- **Management problems persist in programs for Indians and island communities.** Interior’s efforts to properly account for Indian trust funds continue to be hampered by inadequate accounting and information systems, and internal control weaknesses. Management issues also impede tribes’ progress toward self-determination. Interior also has varying responsibilities to seven island communities that have long-standing financial and program management deficiencies.

- **Data-gathering and concessions reforms are needed to improve management of the national parks.** The National Park Service has received funding to start to build natural resource inventories and has hired a private firm to analyze its concession program. These are good first steps. However, better scientific information on the condition of its natural resources is needed, and persistent management problems in its concessions program still need to be addressed.

- **Management problems impede land exchanges and appraisals.** While a private contractor has studied Interior’s land exchange program, concerns still exist that land exchange appraisals do not ensure the lands are appropriately valued or that the public’s interest is protected.

- **Deferred maintenance backlog needs to be addressed.** Interior faces a deferred maintenance backlog of between $8.1 billion and $11.4 billion. The agency has issued guidance to standardize deferred maintenance estimates and repair priorities, but these efforts are new and attention will need to be paid to how they are implemented.

- **Financial management weaknesses need to be addressed.** Interior’s consolidated financial statements for fiscal year 2001 received an unqualified opinion. However, the auditors identified 15 reportable internal control weaknesses; 6 of which were material weaknesses.