



Highlights of [GAO-07-502T](#), testimony before the Committee on Natural Resources, House of Representatives

## Why GAO Did This Study

The Department of the Interior is responsible for managing much of the nation's vast natural resources. Its agencies implement an array of programs intended to protect these precious resources for future generations while also allowing certain uses of them, such as oil and gas development and recreation. In some cases, Interior is authorized to collect royalties and fees for these uses. Over the years, GAO has reported on challenges facing Interior as it implements its programs. In addition to basic program management issues, the department faces difficult choices in balancing its many responsibilities, and in improving the condition of the nation's natural resources and the department's infrastructure, in light of the federal deficit and long-term fiscal challenges facing the nation.

This testimony highlights some of the major management challenges facing Interior today.

## What GAO Recommends

GAO has made a number of recommendations intended to improve Interior's programs by enhancing the information it uses to manage its programs, strengthening internal controls, and providing clearer guidance. Interior has agreed with most of the recommendations and taken some steps to implement them. However, the department has been slow to implement other recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-502T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-502T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin Nazzaro at (202) 512-3841 or [nazzaror@gao.gov](mailto:nazzaror@gao.gov).

# DEPARTMENT OF THE INTERIOR

## Major Management Challenges

### What GAO Found

The Department of the Interior has made progress in addressing challenges that GAO has identified in such areas as developing and maintaining better data to manage the department's programs and strengthening internal controls. However, numerous important problems remain, as discussed below.

- Management of resource protection efforts needs to be strengthened.** Interior has undertaken steps to improve some of its resource protection efforts, but it has yet to develop a cohesive national strategy to address wildland fire issues, as GAO has recommended. In addition, Interior agencies that manage hardrock mining and oil and gas production on their lands have not effectively carried out their environmental protection responsibilities.
- Management problems in Indian and island community programs persist.** While Interior has implemented major reforms to address weaknesses in managing Indian trust funds and other assets, concerns remain about finalizing organizational changes and delays in decisions about land that the department will take into trust status. In addition, island community programs continue to lack accountability measures.
- Land appraisals continue to fall short of standards.** While Interior has consolidated the land appraisal function into a departmental office to address serious problems with the quality of its appraisals and the millions of dollars that had been lost as a result, a large portion of appraisals that GAO reviewed still did not comply with recognized appraisal standards.
- Deferred maintenance backlog needs to be addressed.** Interior has implemented improved inventory and asset management systems for some programs, but it is not clear how it will address the estimated \$17 billion in deferred maintenance. Other programs continue to lack information required to accurately estimate needs.
- Revenue collection needs more management attention.** Interior may not be collecting billions of dollars of revenue from oil and gas royalties; geothermal royalties; and fees from individual recreational uses, air tour operations in and around national parks, and commercial filming and still photography in national parks.
- Contract and grant management lack needed controls.** Because it lacks adequate controls over management of grants and contracts, Interior cannot ensure that millions of dollars in grant and contract funding were used appropriately.